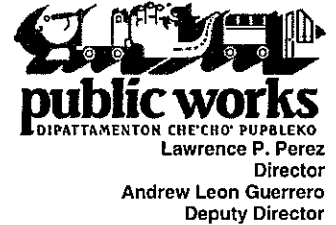




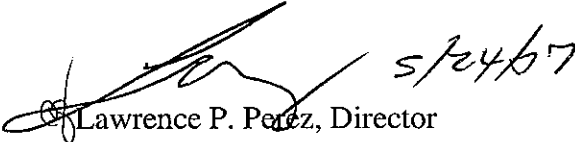
The Honorable
Felix P. Camacho
Governor

The Honorable
Michael W. Cruz, M.D.
Lieutenant Governor



MAY 24 2007

To: Harry M. Boertzel, Administrative Law Judge
Guam Public Utilities Commission

From:  Lawrence P. Perez, Director

Subject: **Invitation for Bids (Multi -Step)**
Residential Solid Waste Collection, Transportation and Disposal Services

Buenas yan Hafa Adai! Transmitted herewith are copies of the Invitation for Bids (Multi-Step), Draft Service Agreement for the subject project and a digital copy of the Residential Collection Routing Maps as a bid attachment. DPW-SWMD would like to request for your assistance in reviewing and providing comments to these bid documents. Please be advised that we are currently working on a very aggressive timeline to be able to meet scheduled deadlines for the outsourcing of the residential waste collection. We are looking forward to advertising, conducting the site inspection and holding a pre-bid conference by June 2007.

Any comments in regards to the bid documents must be submitted within ten (10) days upon receipt of this letter. In our effort to meet our timelines if there are no comments within this ten (10) day review, the DPW-SWMD will proceed with the procurement process.

We look forward to your favorable response regarding our request listed above. Should you have any questions or would like to have further discussions/work session for this project please contact Ms. Cynthia U. Jackson, SWMD Project Manager at 646-3164 ext. 201 within the timeframe given.

We greatly appreciate your cooperation and kind consideration to this urgent matter.

Si Yu'os Ma'ase.

Attachment (3)

Invitation for Bids (Multi-Step)

For

Residential Solid Waste Collection, Transportation and Disposal Services

January 2, 2007

Department of Public Works

Solid Waste Management Division

Government of Guam

SECTION 1

OVERVIEW OF THE PROCUREMENT PROCESS

The Government of Guam (GovGuam) is issuing this Multi-Step Invitation for Bids to (IFB) to secure franchise hauler services to provide single family residences with solid waste collection, transportation and disposal services. This is a multi-step bid process in which cost bids will be submitted in a separate sealed envelope with the bid submittal. Bidders are required to submit a completed Bid Bond form (attached to bid package) which requires a Bid Bond in the amount of 15% of the total bid amount (e.g. 15% of total Service Fee revenues estimated for the first three-year term of contract). When contract award is made, bidder will be required to submit a performance bond, which is 100% of the total bid amount (e.g. 100% of total Service Fee revenues estimated for the first year term of contract). Upon satisfactory performance and availability of funds for succeeding year's renewal of contract, an updated performance bond will be required for each contract year thereafter, and be submitted 90 days prior to the start of each proceeding contract year.

The bidders will be evaluated by a committee and ranked on their company qualifications, technical approach, and financial qualifications to determine which bidders have met the IFB requirements and best meet the needs of GovGuam, prior to opening of the cost bids and determination of the lowest bidder(s). GovGuam has divided the Island into three service areas, the boundaries of which define three separate zones that will become exclusive franchise zones for the new residential solid waste collection service to be provided by the private sector.

The GovGuam has prepared a franchise agreement (Attachment 1) that defines the scope of services, performance standards, term of contract, compensation mechanism, insurance requirements, and other contractual issues. The GovGuam will secure qualified contractors to

provide the solid waste services for all three of the zones for an initial three (3) year period with the option of renewing for up to two additional one (1) year extensions at the GovGuam's sole discretion. The term of the agreements (and full implementation of new franchise collection services) are anticipated to commence on July 30, 2007.

Basic solid waste collection service (consisting on one 35-gallon can per week) will be offered for all single family residences that are currently receiving public utilities (power and water) regulated by Guam Public Utility Commission. For each of the designated service areas (Zones 1, 2, and 3) one firm will be selected to provide exclusive residential collection service to residents within the zone. Interested bidders may be awarded more than one zone. Interested bidders may at their own discretion offer services for more than one zone, acknowledging that if selected they will be obligated to provide service in any or all of the zones for which they are selected. Private collection service for qualified single family residences in Guam will only be allowed under the exclusive franchise agreement or multiple agreements awarded through this IFB process.

Interested bidders should be aware that all residential solid waste collected by haulers under the franchise agreements are required to be directly hauled from collection routes to Ordot Dump for disposal. In the event Ordot Dump is closed and a replacement landfill is opened and ready to receive waste during the initial contract term (or any extensions thereof), GovGuam will at that time require the residential waste to be hauled to and disposed at that alternate facility. GovGuam is currently in the process of procuring construction services to permanently close Ordot Dump and is simultaneously procuring construction services for development of a new replacement landfill that will meet the island's solid waste disposal requirements in the future. For this reason, the attached Agreement specifies a compensation adjustment method to account for increased/decreased hauling costs associated with a change in the distance to the new designated disposal site.

Bids are being solicited from qualified companies or from a group of qualified companies that form a team arrangement for the purposes of providing the residential waste collection services described in this IFB. In the event a teaming arrangement is proposed, the companies should recognize that the team must be represented by a single prime contractor that will be responsible for entering into an agreement with the GovGuam and will serve as a primary contact point and responsible party for the GovGuam and customers. Bids shall be submitted in accordance with the guidelines presented in this IFB.

1.1 | PURPOSE AND INTENT

Currently, the GovGuam has no franchise relationship with private haulers to service single family residences. The Department of Public Works' Solid Waste Division does provide weekly refuse collection service to single family residents. However, customer subscriptions for service are voluntary and relatively low, fee collection rates are poor, and many customers opt out of municipal service and self-haul their waste to a transfer station.

The GovGuam and its consultants have taken into account the concerns of citizens regarding the unreliable collection service currently provided through the Department of Public Works, Solid Waste Division (SW Division). In addition, GovGuam representatives and its consultants met with private haulers on June 13, 2006 to discuss outsourcing residential service to the private sector and to gain the haulers' input regarding their concerns about contracting arrangements for residential service. The haulers concerns focused on the lack of

a mandatory collection system framework, enforcement of customer fee collections, method of hauler compensation, lack of accurate customer data for correct sizing of routes, collection equipment requirements, and similar concerns that they perceived as potential obstacles to participation. GovGuam has reviewed and analyzed a variety of service, contractual, and financial issues related to the current residential solid waste collection system, and determined that a total revamping of the current residential Solid Waste Management (SWM) system is required in order to outsource single family residential service to the private sector. The new system that is being implemented by GovGuam to replace the current SWM system will include the components listed below. See Section 2.2 for a summary of the new system components and associated contractual responsibilities for residential collection service.

Major Components of New System

- All single family residential customers will be offered basic service for solid waste collection consisting of weekly collection of one container of up to 35-gallon capacity. Such containers are to be provided by the customer and are required to have a SW decal affixed, which will be provided to the customer by GovGuam to confirm the customer is in the billing system and that service is established.
- Additional service will be available to customers upon request, provided they purchase an additional SW decal for each additional can serviced per week, or purchase SW bags through a bag distribution program established by GovGuam.
- It is anticipated the SW decals will be color coded and valid for three months of service, and all SW bags will be purchased in advance by the customer. Replacement decals will be provided to customers by GovGuam every three months, and will be billed by GovGuam to assure continuous service and collection of customer fees.
- The contracted hauler(s) selected through this IFB process will be required to provide regular weekly collection service for all residential waste placed in customer cans affixed with a SW decal and/or in SW bags.
- Customer billing and fee collections for solid waste service will be conducted by GovGuam, and customer rates will be regulated under the Guam Public Utilities Commission
- Residential solid waste service will be outsourced to private service providers through exclusive franchise agreements between the haulers and GovGuam. The service areas are defined by three zones determined by GovGuam (see areas Attachment 4).

1.2 | SCOPE OF SERVICES

The GovGuam intends to secure a contractor to provide the following scope of services:

- Single family solid waste collection, transportation and disposal
- Weekly collection service for all single family residences using customer owned containers and a SW decal/bag system to confirm service level at each household
- Back yard service for qualified physically challenged (ADA eligible) residential customers
- Solid waste service at Fiesta Events consisting of providing containers and hauling service during pre- and post-Fiesta cleanups and transporting waste to the landfill
- Solid waste service at Bulky Item Collection Events consisting of providing containers and hauling service at designated sites. Bidders are encouraged to recycle items if feasible prior to transporting residual waste to the landfill
- Excellent customer service

The contractor will also be required to comply with all reporting and invoicing requirements, provide public information and education, and meet all performance and equipment standards specified in the agreement.

Bids are solicited from companies with demonstrated experience and qualifications in the services outlined in this IFB. Moreover, the selected contractor will be expected to be flexible and proactive in order to provide services at a high standard of quality and to add or modify services as requested to improve such services, whenever feasible, throughout the term of the contract.

The IFB and Agreement include performance standards for each service to ensure that the contractor fulfills basic requirements and provides quality service regardless of the method proposed to provide the services. The contractor will have the flexibility to define the method of collection for each service. For example, this project prescribes weekly collection of residential waste set out by customers in cans with appropriate SW decals and/or in SW bags, but does not specify whether the collection equipment should be manual or semi-automated. The contractor will define the method of collection depending on the contractor's assessment of how to provide the most cost-effective service requirements.

1.3 | MULTI-STEP BID CONSIDERATIONS

GovGuam's Rights

The GovGuam's rights include, but are not limited to, the following:

- Issuing addenda to the IFB, including extending or otherwise revising the time line for submittals
- Withdrawing the IFB
- Reissuing or modifying the IFB
- Requesting clarification and/or additional information from the interested bidder at any point in the procurement process
- Executing an agreement with the interested bidder on the basis of the original bids and/or any other information submitted by the interested bidders during the procurement process
- Rejecting any or all bids, waiving irregularities in any bids, accepting or rejecting all or any part of any bids, waiving any requirements of the IFB, as may be deemed to be in the best interest of the GovGuam
- Accepting and negotiating with the interested bidder any combination of services, the services and combination to be chosen by the GovGuam in its sole discretion
- Discontinuing its negotiations after commencing negotiations with a selected interested bidder, if progress is unsatisfactory in the judgment of the GovGuam, and commencing discussions with another qualified interested bidder.
- Accepting a bid that does not offer the lowest cost but offers the best overall bid, which the GovGuam determines is in the best interest of the citizens of the GovGuam, based on the company's qualifications, technical approach, financial strength, as well as its cost bid

Consequence of Submission of Bid

The submission of a bid will constitute an incontrovertible representation and warranty by the

interested bidder that it has investigated all aspects of the IFB, that it is aware of the applicable facts pertaining to the IFB process, its procedures and requirements; that the interested bidder has read and understands the IFB and has complied with every requirement; that without exception the bid is premised upon performing and furnishing the services and equipment required by this IFB and the contract and such means, methods, techniques, sequences or procedures as may be indicated in or required by this IFB and the contract; and that the IFB is sufficient in scope and detail to indicate and convey understanding of all terms and conditions for performance and furnishing of the project.

The submission of a bid shall not be deemed an agreement between the interested bidder and the GovGuam. Specifically, the following provisions apply:

- The GovGuam shall not be obligated to respond to any bid submitted nor be bound in any manner by the submission of a bid.
- Acceptance of a bid by the GovGuam obligates the interested bidder to enter into a contract with the GovGuam for the performance of the services chosen by the GovGuam in its sole discretion.
- The contract shall not be binding or valid against the GovGuam unless and until it is executed by the GovGuam and the selected interested bidder, and the interested bidder's performance bond or other surety, insurance documentation, and other required submittals have been accepted by the GovGuam.

Multi-Step Bid Preparation Costs

The cost of investigating, preparing and submitting a bid is the sole responsibility of the interested bidder and shall not be chargeable in any manner to the GovGuam. The GovGuam will not reimburse any interested bidder for any costs associated with the preparation and submission of bids or expenses incurred in making an oral presentation, participating in an interview, or negotiating a contract with the GovGuam.

1.4 | ORGANIZATION OF THE IFB

General information regarding the IFB purpose, process, and schedule are provided in this section. Section 2 contains background information, including the GovGuam's goals and objectives, customer account information, and other related information. Section 3 defines the scope of services covered by this IFB. Section 4 addresses the contractual arrangement that the GovGuam plans to establish for the services. Section 5 identifies Multi-Step IFB requirements. Section 6 provides instructions for submitting responses to the IFB. Section 7 describes the evaluation process and criteria. The appendices contain additional information required for multi-step bid preparation including the Agreement and cost bid forms.

1.5 | MULTI-STEP BID SCHEDULE

The GovGuam intends to adhere to the schedule provided in Table 1-1 during the selection process. This schedule may change at the GovGuam's discretion.

In order to commence service on July 30, 2007, the GovGuam's procurement schedule is designed to have a contract awarded in early May allowing the selected contractor sufficient time to conduct the transition activities necessary to implement the contract. To accomplish this goal, the GovGuam will identify the selected contractor(s) at the end of March and the

contract is scheduled to be finalized in less than one month after GovGuam selection.

Table 1-1 | Preliminary Procurement Schedule

Activity	Date
Formal issuance of IFB to vendors	January 2, 2007
Mandatory pre-bid conference	January 16, 2007
Deadline for bidders to submit written questions and comments on Agreement	January 23, 2007
GovGuam issues written response to questions	February 15, 2007
Bid submission deadline (9:00 a.m.)	March 13, 2007
GovGuam issues Letter of Intent to Award Bid	March 27, 2007
Anticipated PUC Approval	April 17, 2007
Anticipated Notice to Proceed and Contract Award	May 1, 2007
Full implementation of services	July 30, 2007

SECTION 2

BACKGROUND

This section provides background information regarding the competitive multi-step bid process including the GovGuam's goals and objectives, customer data, and related GovGuam programs. Please note that data provided are for informational purposes only. The GovGuam does not certify the accuracy of the information provided. Interested bidders should not rely on this section for developing bids and service costs. Interested bidders are responsible for an independent assessment of the GovGuam's needs.

1. | GOVGUAM'S GOALS AND OBJECTIVES

The GovGuam's goals and objectives are to secure the best services for the most competitive price. The GovGuam's goals and objectives regarding the types of services needed for the community focus on providing excellent customer service and reliable collection, transportation and disposal of solid waste generated by single family residences throughout the island. The new contractor(s) selected through this IFB process will be responsible for providing the required services, utilizing a SW decal/bag system that will be implemented concurrently with the start of new collection services.

Additional goals associated with this procurement process are to establish a basic level of solid waste collection service that will be provided to all eligible single family residents, and a reliable method for GovGuam to collect customer fees for the services provided.

2.2 | SERVICES REQUIRED AND RESPONSIBLE PARTIES

The goal of delivering improved solid waste collection service to single family residences will be met by coordinated efforts of the responsible parties. The private haulers selected through

this IFB process, as well public agencies and the residents, will have responsibility for various components of the new solid waste management system that is being implemented. Table 2-1 below summarizes the major contract terms associated with private haulers providing collection services, and identifies the roles of the responsible parties for those items.

Table 2-1 | Services Requested and Responsible Parties

Contract Term	Responsible Party
<i>Contract General Requirements:</i>	
<ul style="list-style-type: none"> Contract term for SW collection and disposal not to exceed five (5) years Hauler contracts will be for 3-year initial term, with two 1-year extensions granted at sole discretion of GovGuam. Contracts shall be awarded in compliance with Guam Procurement Law Exclusive rights granted to Hauler within service zone area Minimum liability and other insurance requirements need to meet GovGuam standards, apply to contractor and any sub-contractor, and are at contractor's own cost The initial designated disposal site for all residential SW collected by Haulers shall be Ordot Dump. If another disposal site is designated by GovGuam during the contract term, Hauler compensation will be adjusted based on incremental hauling cost increase/decrease. Haulers must direct haul SW from residential routes to disposal site, and not mix loads with other non-franchise SW 	GovGuam to approve any contracts for outsourcing residential SW services
<i>SW Collection Schedule:</i>	
Weekly refuse collection from all single family households	Hauler creates routes and notifies customers of schedule
Collection days are Monday through Friday. Collection time between 6:00 a.m. and 4:00 p.m. on day of collection, and actual pickup may vary within that time	<p>Hauler must complete all routes within time frame.</p> <p>Residents must set out containers prior to truck arriving.</p> <p>Residents may set out up to 12 hours before collection day, and must retrieve cans within 12 hours after collection day.</p>
<i>Collection container requirements:</i>	
Type container – durable leak-proof container fitted with lid, handles for lifting, and up to 35 gallon capacity. Containers should be light weight (rubber, plastic) and not exceed 60 pounds when full.	<p>Residents responsible for providing and maintaining own containers for SW collection service</p> <p>SW Division will review container and container enclosure standards for compatibility with worker safety and access, and may revise regulations to get customers to comply.</p>
Placement of container for collection	Residents to place at curb, alley, or within 4 feet of road for collection vehicle/crew access.

Backyard service for disability exception	Residents must provide documented verification of disability to SW Division in order to receive backyard collections. Backyard service not available for convenience only.
Use of SW Decals	<p>SW Division provides decals to residents for refuse service when customer is entered into billing system to initiate collection service</p> <p>Residents put decal on can when they are registered for service</p> <p>Hauler must collect all refuse in cans with decals.</p>
Use of SW Bags	<p>SW Division makes specially designed SW bags available at distribution points.</p> <p>Residents purchase SW bags and use for extra refuse pickup by setting out on collection day.</p> <p>Hauler must collect all SW bags on regular collection routes. As necessary, hauler will check cans with no decal to look for SW bags.</p>
Unauthorized containers and refuse	<p>Hauler must tag unauthorized containers to notify customer of program requirements, maintain records of all such tags, and fax customer address information to SW Division by end of business day.</p> <p>SW Division to follow up and notify customers if non-compliance persists, and may levy fines.</p>
<i>Collection Standards:</i>	
New service starts	<p>Hauler to initiate collection service for new customers on next regularly scheduled collection day after service request received by GovGuam.</p> <p>SW Division customer service office initiate new service by providing Hauler with new customer information (service address, level of service, etc.) and providing customer with appropriate decal.</p> <p>Customer to put decal on can to initiate new service</p>
Service terminations	<p>Hauler will stop collection service (and remove customer from hauler's customer list) when notified by SW Division customer service office that service is terminated.</p> <p>SW Division to keep SW customer data updated and provide data to Hauler when service changes are needed.</p>
Missed pick ups	<p>Hauler must collect any verified missed pick ups on same collection day if notified by customer before noon, or within 24 hours (next business day) if contacted by customer later than noon.</p> <p>Residents must call Hauler to notify if SW container was set out on time but missed</p>
Spills and litter	Hauler must clean up any spills or litter created by collection activity

	Residents to clean up spill occurs before truck arrives
Replacement of cans after collection	Hauler must return all cans and lids to place of collection, in upright position
<i>Transportation and Disposal:</i>	
Vehicle standards	Hauler must meet vehicle standards for transporting SW: maintain vehicles in safe operating condition, keep clean, and prevent leakage and offensive odors from escaping. Must also provide truck number, company name and phone number on all vehicles used for residential collections.
Ownership of SW	Hauler assumes ownership of SW after collecting from residents, and is responsible for transporting all waste to authorized disposal site.
<i>Other Contract Requirements:</i>	
Fiesta Events: <ul style="list-style-type: none"> • During pre-fiesta village cleanups and post-fiesta cleanups, Hauler shall provide roll-off (or other acceptable) containers for all SW generated. • Each village holding event will be responsible for coordinating with Hauler for delivery and pickup of roll-off containers 	Hauler to provide containers and transportation/disposal of SW Mayors program to provide logistics and labor to conduct pre- and post-fiesta cleanups and deposit all waste in containers SW Division to maintain current list and schedule of all annual fiestas for each zone
Bulky Item Collection Events (community events provided twice per year): <ul style="list-style-type: none"> • Hauler to provide roll-container for centralized collection of residential bulky items such as appliances, furniture, and miscellaneous non-hazardous bulky waste • Mayors program to coordinate with hauler on schedule, establish centralized location, and arrange collections from residents not able to bring items to central location 	Hauler provides roll-off containers, transportation, and processing/disposal of bulky items. Mayors program sets schedule for two events per year, coordinates getting bulky items to centralized location
Public information and education	Hauler to develop collection schedules and program description and distribute to customers prior to service implementation Hauler to work closely with SW Division to develop outreach materials such as brochures, tags, door-hangers or other materials to educate the public about the new collection services.
Customer service and complaint handling,	Hauler to maintain office with regular business hours and provide customer service staff to receive calls from customers regarding service request, resolution of complaints, program information, scheduled pick-ups, etc.
Reporting requirements	SW Division will identify its requirements for submittal of invoices for compensation, and for periodic reports required of the Hauler. Hauler must also meet reporting requirements as may be required of Guam Public Utility Commission and other Agencies having regulatory jurisdiction over the collection system. Hauler will be subject to periodic audit by the Office of

Public Auditor (OPA), and be responsible for any required annual license/permit renewals by Guam Environmental Protection Agency (GEPA).

Hauler will be required to meet record keeping requirements (customer list, accounting records, tonnage reports, customer complaint logs, list of all customers tagged, route maps and schedules, etc.) and submit required reports in a timely fashion. Reporting is used to monitor performance as well as identify collection data that is important to the government.

2.3 | FRANCHISE COLLECTION ZONES

The geographic areas of the three Collection Zones are shown in the maps in Attachment 4. Bidders are encouraged to determine the characteristic of the residential areas in each zone (housing densities, types of roads, service conditions, etc.) by driving through the zones and making their own observations and assessments of routing requirements prior to submitting bids.

2.4 | ESTIMATED CUSTOMERS

Attachment 4 contains Residential Customer Data that has been collected recently by GovGuam in preparation of this IFB for outsourcing residential collections. The Residential Customer Data is based on available information of the number of housing units within each zone and includes the street address and village of all units in the zone. Bidders are provided this information as a basis for making their own assessment of the potential number of customers that will be subscribing for solid waste collection service utilizing the SW Decal and SW Bag system being implemented.

Interested bidders should use care in their assumptions about the GovGuam's information regarding the number of current customers serviced by the SW Division. The information in Table 2-2 below is provided for reference purposes only, and the GovGuam in no way guarantees its accuracy.

Table 2-2 | Current SW Division Information: Residential Service Account Data

(HDR DID NOT RECEIVE ADDITIONAL BACKGROUND DATA AS OF DEC. 22, 2006. This table should be replaced with updated customer counts when available, and organized by zones. Guam needs to provide updated customer list by zone, and summarize total potential customers for each of the three zones in Table 2-2 below. Total customers by zone should be included in this section, and excel files with details (street address, community, etc. inserted in Attachment 4).

Service Areas	Estimated Household Count
Yigo	4,000 +
Dededo	8,000 +
Tamuning	1,000 +

Manigilao	1,200 +
Barrigada	1,500 +
Mong Mong	662
Toto - Maite	1,200 +
Ordot - Chalan Pago	1,000 +
Agana	30
Agana Heights	350 +
Asan -Maina	300 +
Umatac	100 +
Merizo	300 +
Inarajan	400 +
Talofofo	800 +
Yona	1,000 +
Sinajana	400 +
Total	23,762

Re. Bulky Item Collection Events - Need description of how many communities within the zones will have such events, confirm if two times per year for every community, and who will set schedule.

The Fiesta Events schedule needs to group communities by zone 1, 2 and 3, then inserted with explanation here or in Attachment 4.

Does Guam have other useful data/information to include in this section of IFB or in Attachment 4?

SECTION 3

SUMMARY OF SERVICES

All references to the IFB are intended to encompass the IFB and its attachments including the Agreement unless otherwise stated.

The Agreement in Attachment 1 should be carefully reviewed by all interested bidders as it provides the performance standards, detailed terms, conditions, and scope of services that will define the contractual arrangements to be included in the Agreement between the GovGuam and the contractor(s) selected through this IFB process. The detailed performance based services are outlined in Exhibit A of the Agreement.

For all services required under the Agreement, the contractor will be responsible for purchasing and maintaining any collection vehicles or equipment required for providing the services. The cost of any such purchases should be included in the proposed service fees.

SECTION 4

CONTRACTUAL ARRANGEMENTS

The procurement schedule (refer to Section 1.5) for selecting a contractor designates May 1, 2007 to award the contract with the selected contractor. In an effort to successfully accomplish this objective, the Agreement is provided in Attachment 1 to inform interested bidders of the GovGuam's intentions regarding the roles, responsibilities, and obligations of the contractor and the GovGuam. Interested bidders are required to review the Agreement prior to submittal of bids to the GovGuam, and be prepared to accept all terms and conditions of the Agreement. Any comments regarding the Agreement must be submitted in writing by the deadline indicated in the procurement schedule, and any changes to the Agreement will be addressed in an addendum issued by GovGuam prior to the bid submission deadline. This review process allows interested bidders to clearly focus the bid and costs for services with full consideration of your role, responsibilities, and risks.

The GovGuam is interested in selecting a contractor that is prepared to sign the Agreement in its current form. Interested bidders may, if necessary, comment on the Agreement by submitting written comments by the deadline indicated in the Procurement Schedule (Table 1-1). Any comment or exceptions taken to the Agreement must be accompanied by recommended alternative language. However, it is the intent of GovGuam to award a bid based on the Agreement provided in this IFB packet.

SECTION 5

MULTI-STEP BID REQUIREMENTS

Interested bidders must provide a completed standard Bid Bond (form attached), all information requested in this section and additional response information requested in Section 6 as part of their bid, including qualifications and disclosure information. Failure to provide all required information may be grounds for rejection of a bid. The bid requirements have been separated into qualifications, technical, and financial components.

5.1 | QUALIFICATIONS COMPONENT

Describe your company and staff qualifications as they relate to successfully providing solid waste collection programs comparable to the services proposed for the GovGuam. In addition, the company qualifications information must demonstrate how the company's local management and corporate structure are linked, and how the company or joint venture fosters innovation and high quality performance. If interested bidders are submitting as a team, describe any prior successful working arrangements involving similar types of services for similarly sized communities.

Describe these qualifications by providing the following information.

1. **Basic Information.** State the name and address of the company that will be signing the Agreement. State name, address, phone number, fax number, e-mail address, and title of person to be contacted about the bid. State the name of any other company that will share significant, substantive responsibilities as team members in performing under the proposed contract.
2. **Designated Services Coordinator.** Identify and provide resume for the designated services coordinator who will be the primary contact and representative for the company or entire team throughout the term of the contract.
3. **Staff Responsibilities.** Supply names and resumes of principal officers, partners, or other officials of each company to perform significant, substantive responsibilities required under the IFB. Clearly identify the names of individual(s) who will implement the contract and include resumes for each individual. (Include names, addresses, and telephone numbers of key individuals.) Describe relevant technical experience of key personnel, their background in solid waste collection, transportation and disposal services, customer service, and public education.
4. **Company Qualifications.** Fully describe services provided currently or in the past that are directly relevant to services described in this IFB, including description of relevant contracts and degree of involvement (related to solid waste collection) and date the service was provided. Provide names and telephone numbers for all public agency clients over the last five years as references for your experience providing collection services.
5. **Litigation History.** Has any company, partner or subsidiary in this venture, subcontractor, or any corporate officer been involved within the past five years in litigation: arising out of performance of a solid waste collection contract or violation of environmental laws, regulations or permits; arising out of or connected with violation of state or federal antitrust laws; or arising from or connected with allegation of corrupt practices? Has any company, partner or subsidiary in this venture, subcontractor, or any corporate officer, been notified of or been the subject of any enforcement action, order, decree, or notice of violation of any environmental laws, regulations or permits? If an answer is "yes," please explain fully. Provide details of any past or pending litigation against the interested bidder or its parent company or joint venture company (ies) by a governmental entity contracting with the interested bidder or its parent for services relating to waste management, or against such a governmental entity by the interested bidder or its parent company or joint venture company (ies). Failure to identify litigation history may result in disqualification of your bid.

5.2 | TECHNICAL COMPONENT

Technical information should focus on the method of performing the services required under the Agreement. Interested bidders should describe in detail the proposed method for providing the solid waste collection, transportation and disposal services.

5.2.1 | Technical Component for Solid Waste Collection Services

Provide technical information on your bid by addressing each of the following:

1. **Collection Methods and Procedures.** Provide a detailed description of solid waste collection method, including how materials in cans and bags will be loaded onto truck, type and capacity of collection vehicles, number of collection crew per route assignment, whether vehicle modifications are required, etc.
2. **Collection Operations.** Provide the following information, regarding provision of collection service:
 - Number of route collection trucks
 - Number of spare collection trucks (for back-up if needed) to be available
 - Estimated number of routes per day (Monday through Friday)
 - Collection crew size
 - Average number of stops (households) per route anticipated
 - Estimated full time positions for collection positions (drivers and helpers), and listing of all other administrative staff
3. **Collection Equipment.** The contractor is required to provide collection vehicles for this contract and properly maintain them for the duration of the contract term. Identify each piece of equipment by type, capacity, model/year, and intended use. Include equipment listings for route collection, and solid waste service at Fiesta Events and Bulky Item collection events. Identify the number and type of backup vehicles. Clearly provide the information so that the vehicles allocated to residential collection and service at community events can be clearly identified and the age of the vehicles is indicated.
4. **Fiesta Events Service.** Describe your plan to providing roll-off containers or other equipment for village cleanups before and after each Fiesta Event. Describe the sizes of roll-off containers that will be available, use of other collection methods or container types offered, and how the placement and pick-up of containers before and after the village Fiesta will be coordinated to provide service.
5. **Bulky Item Collection Service.** Describe your plan for the collection of bulky items and excess solid waste for the twice-per-year Bulky Item Collection Events to be held in each community. Describe the equipment and method of collection (and recycling of items, if proposed) and disposal you will use to provide this service at centralized locations. GovGuam encourages bidders to divert materials collected from Bulky Item Collection Events by recycling items to the extent feasible prior to disposal. Describe your plan, if any, to handle recyclable goods at these events separately from other solid waste.
6. **Anticipated Changes to Service.** Describe any plans to modify the proposed collection system over the term of the contract, if such a modification is anticipated. Provide implementation schedule including estimated fleet replacement schedule for the proposed change in service. For example, if the initial bid is to provide manual collection of residential solid waste; describe plans, if any, to shift to a semi-automated collection system during the term of the contract.

5.2.2 | Technical Component for Other Services

1. **Support Facilities.** Identify the size and locations for storage, maintenance, and dispatch of the collection vehicles (i.e., corporate yard).
2. **Customer Service.** Describe methods for dealing with collection problems such as missed pickups, tagging unauthorized containers (e.g., waste not placed in cans with SW Decal and/or SW Bag), customer complaints, and similar issues. Identify the proposed location of the business office and local phone number for customer service and the number of staff dedicated to providing customer service.

4. **Public Education.** Describe the components of the public education program to be provided over the term of the Agreement. List the public education materials to be developed pursuant to this contract, including at a minimum: program implementation information, collection day schedules, tags for incorrect setout notices. Provide samples of public education materials that your company has developed for other similar collection programs.
5. **Record Keeping and Reporting.** Describe method for tracking and reporting quantities of waste collected and transported to the designated disposal site, maintaining updated customer lists and collection route maps, and other operating data. Describe how you will prepare the required information to be included in reports to be submitted to GovGuam, and whether you will rely on hard copy of forms/logs or use electronic recording of the required operational data.
6. **Subcontractors.** List all items of work or services to be performed by subcontractors or outside vendor, if any.
7. **Transition Plan/Schedule.** Provide a transition schedule showing all key milestone dates (equipment acquisition, hiring/training staff, developing public information materials, finalized collection routes, etc.) to fully implement the services required. The schedule should be provided in sufficient detail to allow the GovGuam to determine the reasonableness of the schedule and ability to meet the required operations date. Provide letters of commitment from vehicle vendors (if purchasing vehicles is appropriate) that include a commitment to delivering equipment within the required time frame. The transition plan and implementation schedule will become an Exhibit F to the Agreement if the interested bidder becomes the selected contractor.

5.3 | FINANCIAL COMPONENT

Provide the following information in sufficient detail to allow the GovGuam to determine the company's financial capabilities.

1. **Financial Background.** Provide satisfactory evidence that the contractually responsible party has been in existence for at least five years and has financial resources sufficient to undertake the proposed project.
2. **Financial Stability.** Provide audited financial statements, if available, including income and balance sheets for the contractually responsible party and any parent company and joint venture companies, for the most recent five fiscal years. Provide a statement from the chief financial officer indicating that there has been no material change in the financial circumstances of the bidder (or its parent or owners if they are providing financial assurance of performance) since the date of the last audited statements. **Note: the Agreement will require annual audited financial statements from the contractor.**
3. **Financing Method.** Provide a financing plan that identifies all capital requirements and describes the sources and uses of funds, the financing structure, and all assumptions used in the formulation of the program strategy. Interested bidder must demonstrate access to the necessary funds either from equity or specific written commitments from third parties.

5.4 | PROPOSED SERVICE FEES

The interested bidder is required to submit its cost bid in a separate sealed envelope using

the forms provided in Attachment 3 for this purpose. The cost bid must be based on the technical component(s) of your bid. All forms must be completed, and failure to do so will disqualify the bid. A general description of each form is provided below.

The cost detail requires the interested bidder to submit its service fees for residential solid waste collection services as well as for other services associated with Fiesta and Bulky Item Collection Events. The service fees will be the contractor's compensation for services throughout the contract term with adjustments made annually for CPI (starting in the third contract year). Tipping fee reimbursements for disposing franchise waste at the designated landfill disposal site will be treated as a pass-through cost, and are not to be included in calculations for service fees. The contractor will be responsible for all landfill tipping fees as they are incurred, and will be reimbursed by GovGuam for documented tipping fee charges on a monthly basis. Any transportation costs to haul franchise waste to the designated disposal site during the contract term will be adjusted if and when GovGuam designates a new disposal site, and compensation will be adjusted accordingly (as specified in the attached Agreement). For these reasons, interested bidders are required to provide in the attached cost forms the following break down of the Service Fee in their bid:

- o Collection Component of the Service Fee
- o Transportation Component of the Service Fee
- o Total Service Fee

The residential service fee is for monthly collection service per customer (single family residence), and will be applicable to serving any number of customers, varying volumes of solid waste, and other changing service conditions over the term of the contract.

The residential service fee is to be fixed for the first two years, from the effective date of the contract (July 30, 2007) or as may be modified. The service fees will be adjusted annually, beginning in the third contract year, to account for inflation with a cap of five (5) percent. In the event the CPI is greater than 5%, the contractor must demonstrate to the GovGuam that its actual costs exceeded 5%. The CPI adjustment will allow for an increase equal to the then current CPI divided by the previous year's CPI.

Attachment 1 contains the following forms:

Form 1: Bid Validity

Form 1 is provided for the interested bidder to acknowledge the validity of the bid contents and services fees for a period of 180 days after the submission deadline.

Form 2: Summary of Proposed Scope of Services

Form 2 is provided to obtain a brief summary of the interested bidder's methodology for providing the scope of services. All information should be provided in this form in a short, concise manner. It is intended to provide a snapshot overview of the services.

Attachment 2 contains the following forms:

Forms 3 through 9: Residential Collection and Transportation, Fiesta Events, and Bulky Item Collection Events Service Fees

Proposed service fee to provide single family residential solid collection and for Fiesta and Bulky Item Collection Events is to be provided on Forms 3 through 9, according to the zone or zones for which you are offering service. The fee is to include all the cost associated with solid waste collection and transportation, as well as other costs associated with providing related services such as, but not limited to, customer service, public education, and backyard service to qualified disabled customers. The service fee should be provided for solid waste collection service per customer per month charge. Each service fee should be inclusive of providing solid waste service for all authorized cans with decals and SW bags collection service, regardless of the number of cans/bags used by individual customers.

Form 10: Estimated Annual Cost for Franchise Services

Interested bidders are requested to submit estimated annual costs for all franchise services. Form 10 provides a location to provide annual costs associated with all residential collection service.

All line items should be filled out on Form 10, with additional line items included as necessary. The interested bidder's estimated total annual cost should be provided on Form 10, and will be assumed by the GovGuam to support the proposed service fees submitted on Forms 3 through 9.

All capital costs should be annualized. For example, if a replacement vehicle will be needed in the fourth contract year, its costs should be treated as though it will be defrayed by a fund that receives a constant amount throughout the term of the contract. Anticipated variations in fuel consumption, parts costs, or any other line items must be accounted for in the same way.

The cost information provided on Form 10 will not be the basis for establishing compensation under the franchise contract. The annual cost information will be used confirm that the proposed service fees are reasonable and inclusive of required cost elements. The contractor will be compensated according to the service fees indicated in Forms 3 through 9.

Form 10 will also provide baseline information should the GovGuam or contractor request a special rate review (Section 7.4 of the Agreement), or should the contractor seek compensation for costs incurred in excess of the CPI of 5% (Section 7.2.B).

5.5 | EXAMINATION, SELF-RELIANCE

It is the responsibility of each interested bidder to do the following before submitting the bid:

1. Examine this IFB, including all enclosures and the Agreement, thoroughly.
2. Attend a mandatory pre-bid conference with representatives of the GovGuam scheduled to be held on January 16, 2007 at Guam Power Authority Board Conference Room (still need address and time).
3. Become familiar with local conditions that may affect cost, permitting, progress, performance, or furnishing of services described in this IFB, including inspection of the GovGuam's terrain, streets and alleys.
4. Comply with all federal, state and local laws, statutes, ordinances, regulations and other applicable laws that may affect costs, permitting, progress, performance, or furnishing of the project.
5. Clarify, with the GovGuam, any conflicts, errors, or discrepancies in this IFB.

6. Agree not to collaborate or discuss with other interested bidders the content of the bid or costs proposed.
7. Agree not to use the Freedom of Information Act to obtain information on competitive bids prior to GovGuam selection.
8. Before submitting a bid, each interested bidder will, at its own expense, make or obtain any additional examinations, investigations, and studies, and obtain any additional information and data that may affect costs, permitting, progress, performance or furnishing of the project and that the interested bidder deems necessary to determine its bid.

SECTION 6

MULTI-STEP BID SUBMITTAL INSTRUCTIONS

The details of the IFB submission process and schedule are described below.

6.1 | MULTI-STEP BID PROCESS

Step One: Obtain Invitation for Bid

Bid packages may be picked up between the hours of 8:00 a.m. through 12:00 p.m., and 1:00 p.m. through 4:00 p.m., Monday through Friday at the following location:

Department of Public Works

Solid Waste Management Division

542 North Marine Corps Drive

Tumon, Guam 96931

(Telephone) (671) 647-5058 or 646-3239

(Fax) (671) 649-3777 or 649-6178

A \$500.00 (Five Hundred Dollars) non-refundable fee will be charged for each bid package received. Please make check payable to: Treasurer of Guam.

After issuance of the final IFB, prospective bidders are not permitted to contact any employee with the GovGuam except as specified below. Any interested bidder who fails to recognize or utilize the process of communication outlined herein will be notified of its violation of the process and may be disqualified from the IFB process.

Step Two: Written Questions

Submit written questions and requests for clarification or additional information regarding the meaning or intent of the IFB content, its process and enclosures to:

Lawrence P. Perez, Director

Department of Public Works

Solid Waste Management Division

542 North Marine Corps Drive

Tumon, Guam 96931

(Telephone) (671) 647-5058 or 646-3239

(Fax) (671) 649-3777 or 649-6178

All questions must be received no later than 5:00 p.m., January 23, 2007. The GovGuam shall not respond to questions received after this date.

Step Three: Mandatory Pre-Bid Conference

A mandatory pre-Bid conference is scheduled for 9:00 a.m., Tuesday, January 16, 2007 at Guam Power Authority (GPA) Board Conference Room. **(Need address) Bidders who do not attend the mandatory pre-bid conference will not be allowed to submit bid package.**

Questions of consequence will be recorded at the conference. Any changes, interpretations, or clarifications considered necessary by the GovGuam in response to interested bidders' questions raised at the pre-bid conference or received in writing by 5:00 p.m., January 23, 2007 will be issued in writing as addenda and mailed or delivered to all parties recorded by the GovGuam as having received this IFB. The GovGuam will not respond to questions received after the deadline of January 23. Only answers issued by formal written addenda will be binding on the GovGuam. Oral and other interpretations or clarifications including those provided at the mandatory pre-bid conference will be without legal effect.

Step Four: Submit Bid

Submit an original copy of your Bid (with the Service Fee forms 3 through 10 included in a sealed envelope separate from the rest of the Bid document), and five (5) copies of your Bid package to:

Office of Director

Department of Public Works

542 North Marine Corps Drive

Tumon, Guam 96931

Bid packages must be clearly marked "original " and "copies" with bidder's name, bid number, bid title, time, date and place of bid on each envelope. Cost Bids must be clearly marked "Cost Bid" with same information as on said bid packages. Bid packages must be received on

or before 9:00 a.m., March 13, 2007. **IMPORTANT: All Bids received after the submittal deadline shall be rejected.**

Bid Surety

Each Bid must be accompanied by surety made payable to the GovGuam in the amount equal to 15% of the total bid amount (e.g. 15% of total Service Fee revenues estimated for three-year term of contract) and in the form of an irrevocable standby letter of credit, cashiers check, or bond. Bid bonds will be returned to all interested bidders no later than 30 days after the execution of a contract with the successful interested bidder.

Step Five: Clarification/Interviews

Interested bidders may be asked to clarify bid information through writing or interviews. The clarification period will begin when the bids are submitted. If an interview is requested, you will be advised of the specific time and place.

6.2 | RESPONSE CONTENT

All bids must follow this outline and include the following:

1. A cover letter providing:

- Name, address, and telephone and fax number of applicant and key contact person
- Description of type of organization (e.g., corporation, partnership) submitting bid
- If teaming arrangement with two or more parties is proposing, describe past working relationships on similar projects
- Name of entity that would sign a contract if one is negotiated for this project.
- A written statement warranting that you have reviewed the requirements of the project as described in this IFB, its enclosures, and all addenda, by listing all addenda and dates issued.

2. Executive summary (not to exceed five pages) that highlights the major elements of your qualifications and bid and clearly states the services and zone(s) your bid addresses.

3. Responses to all information requested in Section 5. Organize your responses into three components, and address each component following the format outlined in Section 5 so that all requested information can be readily found. Include the following components: qualifications, technical, and financial. Submit one original copy of proposed service fees and all related costs forms in a separate envelope marked "Cost Bid" as described in Step Four above.

Additional information or data relevant to your qualifications is optional and may be included in an appendix.

All pages of the bid must be numbered for reference.

The cover letter and Bid Validity Form must be signed by an officer or agent of the interested bidder who is duly authorized to bind the interested bidder. The Bid Validity Form must be

included as the first page of the cost bid submittal. In signing the service fee and cost bid, the interested bidder: 1) agrees that the terms of both the bid and the Service Fee forms as submitted by interested bidder are firm for a period of 180 days from the bid due date, and 2) assures that a performance bond equal to 100% of the Bid amount will be provided upon award of contract.

6.3 | ACCURACY IN REPORTING REQUESTED INFORMATION

Information submitted as part of the bid will be subject to verification. Inaccurate information or information that is misleading will be, at the GovGuam's sole discretion, grounds for removal of a bid from further consideration. Should the company have been awarded any contract as a result of this IFB; such inaccurate or misleading information will be, at the GovGuam's sole discretion, grounds for default.

SECTION 7

SELECTION PROCEDURE AND CRITERIA

This section outlines the Multi-Step IFB evaluation procedures, evaluation criteria, and weighting of evaluation criteria that will be used to select a qualified contractor.

7.1 | EVALUATION PROCEDURES

The interested bidders will be evaluated based on the content, completeness, and clarity of their bids. Detailed supporting qualification, technical, and financial information must be presented in your bids. The specific evaluation criteria will focus on evaluating information requested in Sections 5 and 6. Bids will be evaluated based on the level or extent to which they meet each evaluation criteria.

An Evaluation Committee representing the GovGuam will evaluate bids. The Committee will review all bids received using a set of established evaluation criteria (as discussed in Section 7.2). The criteria will address several categories: company qualifications, technical capability, financial ability, contractual issues, and costs. The criteria will be applied to identify the relative strengths and weaknesses of individual bids. The criteria will be scored as follows: high is a 5 and low is a 1. Non responsive bids will be disqualified, regardless of the cost proposal submitted with the bid. The scoring is assigned 1 to 5 to ensure a greater distribution between final interested bidders' scores. A pre-determined weighting will be applied to each of the criteria to reflect its relative importance.

In addition to applying the above criteria to identify the relative strengths and weaknesses of individual bids, all bids will be compared and contrasted with each other based on service comparability and similarities, reasonableness of assumptions, ease of management and administration, risk avoidance and protection, environmental aptitude, and direct and indirect costs.

The ratings from the evaluators will be compared to determine a ranking of the bids based solely on the evaluation criteria and criteria weighting. After this initial evaluation of bids and preliminary ranking, the cost bids will be opened and compared to determine the lowest cost

qualified bidder for each zone. The final selection will be based on evaluation of the overall ranking of bids, including costs.

The GovGuam's position on all the major service and contractual issues were thoroughly studied prior to issuance of this Multi-Step IFB and a resolution of those issues are represented in the IFB and the attached Agreement. No contract negotiations sessions are anticipated in this procurement process.

7.2 | EVALUATION CRITERIA

The Evaluation Committee established a set of detailed evaluation criteria based on the priorities of the GovGuam. The evaluation criteria are designed to evaluate bids by considering all aspects that will impact the quality of service. Evaluation criteria are formulated to consider the bidder's qualifications, technical approach, and financial capability to perform the services required. The evaluation criteria to be used in the evaluation of the bids are listed below.

Qualifications Criteria

The qualifications criteria focus on examining the overall qualifications of the company and staff to confirm that the company has proven experience providing services similar to the types of services required for the GovGuam.

1. **Company Qualifications.** Does the company have demonstrated experience providing similar service in a comparable-sized service area? If teaming arrangements are proposed, what is the extent of experience the companies have working together? Is there a reasonable division of services between companies?

Low	Inadequate level of relevant experience in key aspects of the project.
High	Relevant experience consistently demonstrated for all key aspects of the proposed project.

2. **Staff Qualifications.** Does the background of individual key team members provide proven technical, operational, and managerial experience needed to handle the proposed services?

Low	Experience of key personnel inadequate in key job categories of proposed project.
High	Key personnel have demonstrated (over five years) technical and managerial experience needed to handle the proposed service.

Technical Criteria

The technical criteria are included to assess the proposed collection methodology (including the type and number of collection routes, types of collection equipment) to understand if it is technically feasible and is compatible with the GovGuam's needs.

1. **Collection Method and Operations.**

- Low The bid does not clearly define the number of collection routes, schedule, and account information, or the outlined schedule and account information is not realistic or feasible, or service for Fiesta and Bulky Item Collection Events is not defined.
- High The bid includes a thorough presentation of the number of collection routes and schedule and account information and it appears to be particularly well suited for the GovGuam and service for Fiesta and Bulky Item Collection Events is well defined.

2. Public Education. Does the company have demonstrated experience with public education programs? Were copies of materials produced for past programs submitted for review? Was an adequate public education plan presented for the GovGuam that includes an explanation of strategies, method of distributing materials and expressed willingness to cooperate with the GovGuam in the design and implementation of the program?

Adequacy of the company's public education plan:

- Low The proposed public education plan is weak.
- High The proposed public education plan is of high quality and well designed to meet its goals.

3. Customer Service. Are reasonable plans provided for how these services will be provided to the GovGuam?

- Low The support facilities, record-keeping method, and/or customer service plan are not adequate or not clearly described, or the interested bidder does not have experience providing such services.
- High The support facilities, record-keeping method, and/or customer service plan are thorough and more than adequate and the interested bidder has extensive experience providing such services.

4. Transition Plan. Does the transition plan and schedule to provide service on July 30, 2007 include equipment procurement, personnel hiring and training, notice to customers, distribution of information to customers, and other aspects required for program implementation that are in general reasonable, well thought out, and address all components of the transition?

- Low The transition plan is not well thought out and does not appear to be reasonable.
- High The transition plan is well thought out, appears to be reasonable, and provides strong contingency planning.

Financial Criteria

The financial criteria are designed to examine the company's audited financial statements and proposed financing method to confirm that the company is capable of supporting and financing the project.

1. Financial Stability. Has the company provided evidence supporting their financial ability to provide the contracted service for the term of the contract?

Low Company has limited financial stability and/or capacity to provide all services required.

High Company has demonstrated financial stability and significant capacity to provide all services required.

2. Financing Method. Is the proposed financing method reasonable? Is financing available?

Low The financing needs and arrangements are not well defined.

High The financing needs and arrangements are well defined.

7.3 | WEIGHTING OF EVALUATION CRITERIA

The Evaluation Committee assigned weighting for each criterion to reflect the relative importance of the criteria based on the GovGuam's goals and objectives. The weighting of the criteria, shown in Table 7-1, will be used in the evaluation process to develop rankings of the bid. Interested bidders should review the weighting and consider the weighting in developing their bids.

Table 7-1 | Weighting of Evaluation Criteria

Criteria		Weighting
Qualifications		
1.	Company qualifications	10
2.	Staff qualifications	10
Subtotal		20
Technical		
1.	Collection method and operations	15
2.	Public education	15
3.	Customer service	20
4.	Transition plan/schedule	15
Subtotal		65
Financial		
1.	Financial stability	10
2..	Financing method	5
Subtotal		15
Total Criteria Weighting		100

DRAFT

12/22/06

Service Agreement

for

SOLID WASTE COLLECTION, TRANSPORTATION AND DISPOSAL SERVICES

between

Government of Guam

and

Contents

AGREEMENT

This AGREEMENT made and entered into this ____ day of _____, 2007 between the Government of Guam (hereinafter "GovGuam"), and _____, a _____ corporation (hereinafter "Contractor").

Recitals

This Agreement is entered into with reference to the following facts and circumstances:

1. The Legislature of the Government of Guam, by enactment of Public Law 26-99, mandates that Guam DPW determines three residential solid waste Collection Zones and privatize at least two of the three Collection Zones.

2. The Government of Guam has determined that the public health, safety and well being of its residents require that certain solid waste collection, transportation, and disposal services, as specified in this Agreement, be provided by an exclusive contract.

Agreement

NOW, THEREFORE, intending to be legally bound, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

For purposes of this Agreement the following words or phrases shall have the following meanings unless any such word is otherwise specifically defined herein or unless it is obvious from the context hereof that another meaning is necessarily intended. To the extent that these definitions differ from those found in the GovGuam ordinances and codes, these definitions shall prevail.

Agreement "Agreement" means this Agreement between the GovGuam and Contractor for the provision of the Collection Services as specified herein, including all exhibits and future amendments.

Applicable Law "Applicable Law" means all laws, regulations, rules, orders, judgments, decrees, permits, approvals, or other requirement of any governmental agency having jurisdiction over the collection and disposition of Solid Waste that are in force on or promulgated or enacted after the Signature Date as they may be enacted, issued or amended during the Term of this Agreement.

Base Term "Base Term" means the initial three (3) year portion of the Term of the Agreement, commencing on July ____, 2007 and ending on August ____, 2010.

Bulky Items "Bulky Items" means all discarded household waste matter that is too large to be placed in a Customer Can or Customer Bag, including large household appliances, furniture, tires, carpets, mattresses, and similar large items that require special handling due to their size.

Can/Bag Service "Can/Bag Service" means provision of Collection Services using Customer Cans and Customer Bags.

Change in Law "Change in Law" means the following events or conditions which have a substantial, material and adverse effect on the performance by the Parties of their respective obligations under this Agreement (except for performance of remittance obligations):

1. Enactment, adoption, promulgation, issuance, modification, or written change in

administrative or judicial interpretation on or after the Signature Date of any Applicable Law; or

2. Order or judgment of any governmental body, on or after the Signature Date, to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of GovGuam or of Contractor, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error, or omission or lack of reasonable diligence.

Change in Scope "Change in Scope" is a significant change in the type or level of Collection Services for which Contractor may be compensated as provided in Article 5.7.

Collection "Collection," "Collect," "Collected," "Collecting" means Collection by Contractor of Solid Waste or other material specified in this Agreement and its transportation to a Disposal Facility.

Collection Materials "Collection Materials" means all Solid Waste or other materials included within this Agreement as provided in Article 3.2.

Collection Services "Collection Services" means all of the rights, duties and obligations of Contractor as specified in this Agreement, and associated with this Agreement.

Collection Zone "Collection Zone" means the territory identified within the island, as described in Exhibit C.

Consumer Price Index, CPI "Consumer Price Index" or "CPI" means the Consumer Price Index (Transportation Group) for Guam as published by the Government of Guam Department of Labor, Bureau of Labor Economic Research Center, or any successor index.

Customer "Customer" means a single-family residence entitled to service under this Agreement, and confirmed by GovGuam as subscribed for service and paying for service. Families living in a detached housing unit, as well as those living in duplex housing units, triplex housing units, and fourplex units are all included in the definition of "Customer"

Customer Bag "Customer Bag" means a bag specially designated for residential solid waste collection and provided to customers through an official bag distribution program established by the Government of Guam.

Customer Can "Customer Can" means a rigid container of up to 35-gallon capacity, provided by and owned by the Customer, and affixed with a SW Decal issued by the Government of Guam.

Contractor "Contractor" means any person having a contract with a government body, as specified in 2 GAR-Administration, DIV 4 – Procurement Regulations.

Delivery "Delivery" of Solid Waste has occurred once a Customer has deposited Solid Waste in a Customer Can or Customer Bag and placed at a location that is designated for Collection.

Designated Disposal Facility "Designated Disposal Facility" means the Ordot Dump, or such other Disposal Facility designated by the GovGuam to which the Contractor will transport all Solid Waste Collected under this Agreement, as specified or as otherwise accepted in Article 4.

Disposal "Disposal," "Disposing," "Dispose," or "Disposed" means the final disposition of Solid Waste Collected by Contractor, at the Designated Disposal Facility.

Diversion, Divert "Diversion"," Divert" means the reuse or recycling of Collected Collection Materials that are not Disposed.

Effective Date "Effective Date" means July ____, 2007.

Event Container "Event Container" or "Event Containers" means bins, roll-off boxes, or other Solid Waste containers of a minimum 3 cubic yard capacity, used to provide Fiesta Event Service and Bulky Item Collection Event Service.

Extension "Extension" means any of the Extensions that may be provided by the GovGuam as defined in Article 3.1B or 3.1C.

GovGuam "GovGuam" means the Government of Guam, a U.S. Territory, as its boundaries exist now or in the future.

GovGuam Representative "GovGuam Representative" means the Director of the Department of Public Works or an agent of GovGuam authorized by written notice to Contractor to enforce the terms of this Agreement.

Hazardous Waste "Hazardous Waste" shall have the meaning set forth in GEPA Rules and Regulations, Appendix G, or in their successor laws and regulations as may be amended from time to time, whichever definition is in the opinion of the GovGuam more inclusive.

Household Hazardous Waste "Household Hazardous Waste" shall have the meaning set forth by the United States Environmental Protection Agency (<http://www.epa.gov/epaoswer/non-hw/muncpl/hhw.htm>), or successor laws and regulations as may be amended from time to time.

Monthly Service Fee "Monthly Service Fee" means the total monthly payment amount, based on Service Fees specified in Exhibit D for provision of Collection Services, due to the Contractor by GovGuam as specified in Article 6.

Legislature "Legislature" means the legislative body of the GovGuam.

Party "Party" or "Parties" means GovGuam or Contractor individually, or GovGuam and Contractor.

Self-Haul "Self-Haul" means that any resident may, at its own discretion, choose to transport

and dispose his/her own Solid Waste generated within the Collection Zone, instead of using the Can/Bag Service, provided that the resident does so in accordance with Applicable Law.

Service Fee "Service Fee" or "Service Fees" means the fee per customer for residential solid waste collection service, and the fees applicable for providing Event Containers and hauling service for Fiesta Events and Bulky Item Collection Events, as specified in Exhibit D

Signature Date "Signature Date" means the date of execution of this Agreement by both Parties.

Solid Waste "Solid Waste" means solid waste as defined in Guam Public Law Number 24-272 and regulations promulgated there under. Excluded from the definition of Solid Waste are Hazardous Waste and Household Hazardous Waste, Medical and Infectious Waste, and recyclable materials kept separate from Solid Waste for the purpose of recycling. Notwithstanding any provision to the contrary, "Solid Waste" may include de minimis volumes or concentrations of waste of a type and amount normally found in residential Solid Waste after implementation of programs for the safe collection, recycling, treatment and disposal of household hazardous waste.

SW Bag "SW Bag" or "SW Bags" means a specially designed bag developed by GovGuam and distributed by GovGuam to Customers for the purpose of storing and Delivery of residential Solid Waste.

SW Decal "SW Decal" or "SW Decals" means a specially designed decal developed by GovGuam and provided to Customers to confirm they are subscribed for collection service. Residents are required to attach the SW Decal to their own solid waste container to identify that container as a Customer Can to be collected once per week by Contractor.

Substantial Evidence "Substantial Evidence" means such evidence as would convince a reasonable person and on which reasonable persons may not differ as to the conclusion to be drawn from such evidence.

Term "Term" means the Base Term and any Extension, as provided in Article 3.

Uncontrollable Circumstance "Uncontrollable Circumstance" means an act of God, including landslides, lighting, fires, storms, floods, pestilence, freezing, and earthquakes; explosions, sabotage, civil disturbances, acts of a public enemy, wars, blockades, riots, eminent domain, condemnation or other taking, or other events of a similar nature, not caused or maintained by the GovGuam or Contractor, which event is not reasonably within the control of the Contractor, and only to the extent such event has a material adverse effect on the ability of the Contractor to perform Collection Services. Events that could or should have been prevented through reasonable precaution, including compliance with agreements and applicable laws, shall not be considered Uncontrollable Circumstances. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by the Contractor's employees or directed at the Contractor, or a subcontractor, are not considered Uncontrollable Circumstances.

Working Days "Working Days", unless otherwise specified, means Monday through Friday.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

2.1 CORPORATE STATUS

Contractor is a division of a corporation duly organized, validly existing, and in good standing under the laws of GovGuam. Contractor is qualified to transact business in Guam and has the corporate power to own its properties and to carry on its business as now owned and operated and as required by this Agreement. Contractor agrees that this Agreement is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. Contractor has not directly or indirectly colluded, conspired, connived, or agreed with any person, partnership, company, association, organization, or corporation to secure any advantage against GovGuam.

2.2 CORPORATE AUTHORIZATION

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of Contractor (or the shareholders if necessary) has taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. The persons signing this Agreement on behalf of Contractor have authority to do so. This Agreement constitutes the legal, valid and binding obligation of Contractor enforceable in accordance with its terms, except as limited by applicable bankruptcy insolvency, reorganization, moratorium or other laws or general application relating to or affecting enforcement of creditors' rights.

2.3 NO CONFLICT

Neither the execution nor the delivery by Contractor of this Agreement nor the performance by Contractor of its obligations hereunder: (i) conflicts with, violates, or results in a breach of any law or governmental regulation applicable to Contractor; (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Contractor), or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument; or (iii) will result in the creation or imposition of any encumbrance of any nature whatsoever upon any of the properties or assets of Contractor.

2.4 NO LITIGATION

As of the Signature Date of the Agreement, there is no action, suit, or other proceeding at law or in equity, or to the best of Contractor's knowledge, any investigation, before or by any court or governmental authority, pending or threatened against Contractor which is likely to result in an unfavorable decision, ruling, or finding which would materially and adversely affect the validity or enforceability of this Agreement or any such agreement or instrument entered into by Contractor in connection with the transactions contemplated hereby, or which could materially and adversely affect the ability of Contractor to perform its obligations hereunder or which would have a material adverse effect on the financial condition of Contractor or its parent company.

2.5 NO LEGAL PROHIBITION

Contractor has no knowledge of any applicable law in effect on the Signature Date that would prohibit the performance by Contractor of this Agreement and the transactions contemplated hereby.

2.6 CONTRACTOR'S INVESTIGATION

Contractor has made an independent investigation (satisfactory to it) of the conditions and circumstances surrounding the Agreement and the work to be performed by it.

2.7 INFORMATION SUPPLIED BY CONTRACTOR

The information supplied by Contractor in all written submittals made in connection with procurement of Contractor's services, including Contractor's bid, and negotiation and execution of this Agreement, and all verbal or written representations and warranties made by Contractor throughout this Agreement are true, accurate, correct, and complete in all material respects on and as of the Signature Date of this Agreement.

2.8 REPRESENTATIVES OF THE PARTIES

Contractor has designated in writing a responsible officer who shall serve as the representative of Contractor and who shall have authority in all daily operational matters related to the Agreement. GovGuam may rely upon action taken by such designated representative as action of Contractor except for actions not taken within the scope of this Agreement. The _____ shall be the initial designated representative of Contractor. Contractor shall notify the GovGuam Representative prior to, or at the time of a change in the designated representative.

2.9 WAIVER OF CERTAIN RIGHTS

Contractor hereby waives any right it may possess to contest the legal right, power, or the authority of GovGuam to enter into and perform this Agreement and agrees to cooperate with and assist GovGuam in supporting the legal validity of, and authorization for, such provisions in the event of any legal challenge thereto brought or made in any manner by a third party.

2.10 WAIVER OF RENEWAL STATUTE

Contractor knowingly and specifically waives any and all rights it may have now or in the future as a result of any subsequent statute granting the same or similar rights regarding GovGuam notice to Contractor of termination of the Agreement. Contractor agrees that its rights to provide any of the services specified in this Agreement shall be governed solely by the provisions of this Agreement, and any of its rights to provide such services shall terminate upon termination of this Agreement. This waiver shall not apply to services specified in Section 3.4 of this Agreement or otherwise not within the scope of or required to be provided by Contractor in this Agreement.

ARTICLE 3

COLLECTION SERVICES AGREEMENT

3.1 AGREEMENT TERM AND EXTENSIONS

A. Base Term

The Collection Services granted in this Agreement shall continue in force for a period of three (3) years (Base Term) from July ----, 2007 ("Effective Date") to Midnight, July --, 2009. Contractor will receive no compensation provided for in this Agreement prior to the Effective Date. However, the Parties acknowledge that the Contractor will undertake all implementation measures (as described in Exhibit H, Implementation Plan) prior to the Effective Date such that rollout of all new services will be completed by the Effective Date.

B. Extensions

Following the Base Term, and at the sole discretion of the GovGuam with or without cause, Contractor may be granted up to two (2) one-year Extensions of this Agreement and its full rights and responsibilities. The GovGuam shall provide Contractor written notice of Extension no less than one hundred and twenty (120) days prior to the conclusion of the Base Term. Contractor has no express or implied right to an Extension.

C. Agreement Transition Extension

By giving written notice ninety (90) days prior to the effective date of termination of the Base Term, GovGuam, at its sole discretion, may require Contractor to continue to provide Collection Services under the terms of this Agreement for up to one hundred and eighty (180) days following the effective date of termination. The purpose of such an Extension is to ensure uninterrupted Collection Services in the event of transition to a successor contractor and/or ongoing contract renegotiations with present Contractor that GovGuam anticipates may not be concluded by the effective date of termination.

3.2 COLLECTION SERVICES AGREEMENT

A. Services Provided

GovGuam hereby grants Contractor, and Contractor shall have throughout the duration of this Agreement, the exclusive right to engage in Collection, transportation, and Disposal, and any material sales related to the following:

1. Solid Waste placed in Customer Cans and Customer Bags by residential Customers.
2. Collection Materials placed in Debris Boxes and similar type containers as a result of Contractor services provided at Fiesta Events and Bulky Item Collection Events

The services specified in this Article 3.2A, together with those enumerated throughout the Agreement constitute the Collection Services.

B. Compensation

Except as otherwise specified, the Service Fees contained in Exhibit D in their initial form as of the Effective Date, and as they are adjusted during the Term are Contractor's sole compensation for provision of Collection Services. Contractor shall retain 100% revenue from the sale or salvage of Recyclable Materials.

3.3 PROVISION OF SERVICE

A. General

The work to be done by Contractor pursuant to this Agreement shall include the furnishing of all labor, supervision, vehicles, Containers, other equipment, materials, supplies, and all other items necessary to perform all Collection Services, and the payment of all related expenses including all taxes, utility charges, etc. The Collection Services shall be performed in a thorough and professional manner that constitutes litter free, reliable, courteous and high-quality service. Contractor shall at all times provide Collection Services using best industry practice for comparable operations, performed at all times in full accordance with Article 4, and Exhibit B, Standards of Performance. Unless otherwise specifically stated in this Agreement, the Service Fees are the only compensation to Contractor for provision of Collection Services.

B. Hours of Collection

Contractor shall limit Collection to 6:00 AM to 4:00 PM in residential Collection Zones.

C. Days of Collection

Contractor shall limit Collection to Monday through Friday, except for the event Christmas and New Years holidays occur during Monday through Friday, in which case Contractor must provide a holiday Collection schedule in accordance with Article 4.7. GovGuam reserves the right to change from time to time the holidays that will be observed and that will require a Collection schedule change. GovGuam will provide advance notice to Contractor in the event such declared holidays will require a Collection schedule change.

3.4 EXCEPTIONS TO COLLECTION SERVICES AGREEMENT

The following services and materials are expressly excluded from this Agreement. The granting of this Agreement shall not preclude the services and materials described below from being provided, or delivered to, collected and/or transported by others, provided that nothing in this Agreement is intended to or shall be construed to excuse any person from any authorization from the GovGuam that is otherwise required by law:

1. Customers from donating or selling Recyclable Materials to any party of their choice.
2. Materials which would otherwise constitute Collection Materials that are removed from a premises by a landscaping, gardening or construction contractor as an incidental part of a gardening, landscaping, tree trimming, cleaning, maintenance, construction or similar service offered by that the contractor rather than as a hauling service.

3. Self-Haul materials, which are delivered by an individual directly to a transfer station or Disposal facility in a manner consistent with GovGuam ordinances and codes and other applicable laws.
4. Construction and Demolition Debris collection which is provided by private companies operating within Guam on a non-exclusive basis.

3.5 GROWTH IN ACCOUNTS

Contractor shall provide Collection Services to all Customers within the Collection Zone requesting service during the Term and shall be compensated on a per-Customer basis by the then effective Service Fee.

3.6 TITLE TO COLLECTED MATERIALS

It is expressly understood that all Solid Waste and Recyclable Materials becomes the property of Contractor at the point of Collection, subject to the requirements of Article 4 to ensure proper delivery of specified Collection Materials to GovGuam selected facilities.

3.7 ENFORCEMENT

Contractor shall become familiar with all GovGuam ordinances and codes related to the provision of Collection Services, and shall as requested assist the GovGuam in its enforcement responsibilities by promptly notifying the GovGuam Representative of any third party violations of these ordinances and codes observed by Contractor, and by promptly providing GovGuam any related information it may have.

3.8 EMERGENCY SERVICES

Notwithstanding the provisions of Article 3.2 specifying Contractor scope of services, in the event of a declared emergency, GovGuam reserves the right to use GovGuam staff, agents, contractors, and/or subcontractors as necessary to clear debris from the Collection Zone. Contractor agrees to not contest GovGuam use of other parties to collect, transport, and dispose of any debris resulting from such emergency. In the event of a declared emergency, Contractor shall upon notice from the GovGuam make all reasonable effort to provide vehicles and crews to assist in clearing and/or transporting debris.

3.9 INFORMATION MANAGEMENT SYSTEMS

Contractor shall maintain such information management systems as are needed to collect, store, and organize operational and financial data, and to produce the reports and plans as specified in this Agreement. All data shall be backed up so as to ensure no loss of data due to computer failure.

3.10 CONDITIONS TO EFFECTIVENESS OF AGREEMENT

In entering into this Agreement and performing obligations set forth therein, GovGuam is relying on the conditions set forth below. The obligation of GovGuam to permit this Agreement to become effective is subject to the satisfaction of each and all of the conditions set out

below, each of which may be waived in whole or in part in writing by GovGuam. Waiver of any of the following as a condition to the effectiveness of the Agreement does not preclude the GovGuam from pursuing any claim or breach of this Agreement.

A. Accuracy of Representations

The representations and warranties made by Contractor in Article 2 of this Agreement are true and correct on and as of the Signature Date.

B. Absence of Litigation

There is no litigation pending on the Signature Date in any court challenging the award or execution of this Agreement or seeking to restrain or enjoin its performance. Contractor shall notify GovGuam in writing within thirty (30) days of Contractor's becoming aware of any litigation that may in any way affect its performance of the Collection Services.

C. Effectiveness of GovGuam Action

A GovGuam approval of this Agreement shall have become effective pursuant to Applicable Law on or prior to the Signature Date.

D. Verification of Insurance Coverage and Performance Assurances

Contractor shall submit no later than thirty (30) days prior to the Effective Date, and shall maintain to the satisfaction of GovGuam, endorsements of insurance coverage pursuant to Article 8.3, and performance bond, letter of credit or other performance assurance pursuant to Article 8.4.

E. Corporate Guarantee

On or before _____, the Contractor shall provide a guarantee or other assurance acceptable to GovGuam from Contractor's ultimate parent company, or other parent company acceptable to GovGuam, guaranteeing or assuring performance under this Agreement by Contractor. The guarantee will be incorporated into this Agreement as Exhibit D.

ARTICLE 4

COLLECTION SERVICES

4.1 SCOPE OF WORK - GENERAL

Contractor shall collect Solid Waste generated at single-family Residential Premises and at specified community events within the GovGuam designated Collection Zone and deliver it to a designated Disposal site approved by GovGuam.

The work to be done by Contractor includes the furnishing of all labor, supervision, equipment, materials, supplies and all other items necessary to perform the services required in a thorough, workmanlike and efficient matter, so that residents within the Collection Zone are provided reliable, courteous and high-quality services at all times. The enumeration of, and specification of requirements for, particular items of labor or equipment shall not relieve Contractor of the duty to furnish all others that may be required, whether enumerated or not.

Contractor shall perform all work in accordance with the various provisions of this Agreement, whether or not such provisions are specifically referred to in any other section of this Contract.

4.2 TRANSITION PLAN

The parties recognize that substantial planning and preparation will be required to ensure a successful initiation of collection operations by Contractor on July --, 2007. To that end, Contractor has prepared a detailed transition plan addressing the steps Contractor will take, and the schedule on which it will take them, to prepare for commencement of collection operations. The transition plan covers, but not limited to, detailed transition schedule showing all key milestone dates and the sequencing of ongoing and periodic activities that separately address solid waste collection, Contractor's schedule for hiring and training of personnel, acquiring necessary collection vehicles and equipment, preparing customer relations materials (including collection schedules, route maps, complaint forms, service request forms and related items), and is attached as Exhibit F.

Contractor shall diligently adhere to the transition plan and shall meet periodically, whenever GovGuam requests, to review progress. Failure to adhere to the transition plan, including its schedule, shall constitute a breach of this Contract which, if uncured, shall constitute a default under Article 9.

GovGuam will take actions, make decisions, and provide directions to Contractor in accordance with the schedule and time allowances set forth in Exhibit F so as not to delay Contractor's adherence to the transition plan schedule.

4.3 RESIDENTIAL SOLID WASTE COLLECTION

Residential Premises Defined. Residential Premises means any single-family detached house, duplex, triplex and fourplex dwelling units wherein such dwelling units are provided individual collection service utilizing the Can/Bag Service established by GovGuam.

Basic Level of Service Defined. Residential solid waste service is provided for single-family residential units that are served with public utilities (water and power) and are billed by GovGuam as utility customers. The Basic Level of Service for Solid Waste collection is one can (up to 35-gallon capacity) for weekly collection service, utilizing the SW Decal system to identify such Customer Can.

Additional Levels of Service Defined. The basic level of service for all Residential Premises, as defined above, allows Customers to obtain additional collection service by subscribing for one or more additional SW Decals for use of additional Customer Cans, or by

purchasing SW Bags for the collection of additional Solid Waste at their residence.

A. Curbside Solid Waste Collection

Contractor shall collect all Solid Waste generated at Residential Premises within the Collection Zone and placed in Customer Cans and/or Customer Bags for collection at curbside. In the event curbside placement of Solid Waste containers is not feasible due to constraints of the terrain or road conditions at Residential Premises, Contractor shall advise customers to place solid waste in an accessible alley, or designate another collection area near the roadway for access of the collection vehicle.

B. Back Yard Solid Waste Collection

Contractor shall collect Solid Waste at back yard or side yard locations at those Residential Premises where Customers are entitled to such service due to medical reasons or disability status, as determined by GovGuam. GovGuam will notify the Contractor of all such Customers entitled to back yard collection service.

4.4 FIESTA EVENTS SOLID WASTE COLLECTION

A. Schedule of Fiesta Events

Need description of how many and which communities within the zones will have fiestas, and who will set schedule and coordinate SW container needs with Contractor. This information needs to be in IFB document as background information. Same for Bulky Item Collection Events, how many "communities" will hold event, and who is to request service and coordinate schedule with Contractor.

B. Pre-Fiesta Cleanup Services

Contractor will deliver an appropriate number and size of SW containers to a designated community location prior to scheduled Fiesta events, and arrange for pick-up and Disposal of Solid Waste once notified by the Fiesta cleanup representative (Mayor's Program?).

C. Post-Fiesta Cleanup Services

Contractor will deliver an appropriate number and size of SW containers to a designated community location after a scheduled Fiesta event, and arrange for pick-up and Disposal of Solid Waste once notified by the Fiesta cleanup representative.

Contractor will ensure that all Solid Waste in such containers are delivered directly to the Disposal site, and no such loads will be commingled with non-franchise waste from other sources.

4.5 BULKY ITEM COLLECTION EVENTS SOLID WASTE COLLECTION

A. Schedule of Bulky Item Collection Events

Need description of how many communities within the zones will have such events,

confirm if two times per year for every community, and who will set schedule.

B. Bulky Item Collection Event Services

Need list of allowed items, and if household SW is also included.

4.6 HOURS OF RESIDENTIAL COLLECTION

Collection of residential Solid Waste may occur only within hours authorized by the GovGuam. Contractor may not collect Solid Waste earlier than 6:00 a.m. or later than 4:00 p.m.

4.7 COLLECTION DAYS AND HOLIDAY EXCEPTIONS

Collection days for residential Solid Waste shall be limited to Monday through Friday, unless otherwise approved by GovGuam. In the event Christmas and New Years holidays fall on a week day, Collections will not be required on those days, but one day later. Any Collection schedule changes shall be provided to GovGuam at least 30 days prior to the Collection day change, and Contractor shall provide 30-day advance notice to all customers affected by the Collection schedule change.

4.8 TRANSPORT AND DISPOSAL OF WASTE

Contractor shall transport Solid Waste to the Designated Disposal Facility and is responsible for payment of all transport and Disposal charges. As of the Effective Date, the Designated Disposal Facility is the Ordot Dump. GovGuam may at its sole discretion direct the Contractor to use a different Disposal Facility. Any GovGuam designation of a different Disposal Facility shall be considered a Change in Scope and shall be subject to the provisions of Article 5.7.

ARTICLE 5

OTHER SERVICES

5.1 CUSTOMER INFORMATION AND PUBLIC EDUCATION

Contractor shall perform the customer information and public education activities in a proactive, timely, and professional manner. Contractor acknowledges the importance throughout the Term of developing, and maintaining consistent efforts to inform the Customers of Collection requirements for utilizing the Can/Bag Service for handling residential Solid waste. At a minimum, Contractor shall provide each customer with written program requirements upon request, and develop Customer tags to be used by Collection drivers to notify Customers of the specific reason for any non-collection incidents, such as inappropriate containers (e.g. waste not set out in SW Bags or cans with no SW Decal), excessive weight, unauthorized materials, and other reason for non-collection of Customer's Solid Waste. Contractor's information and education efforts are also crucial in ensuring that Customers are fully aware of all services to which they are entitled as specified in this Agreement, including but not limited to side yard or backyard service for qualified Customers due to disability or

medical reasons, and the availability of free community Bulky Items Collection Events held twice per year.

5.2 CUSTOMER SERVICE AND ACCESSIBILITY

A. General

Contractor acknowledges that GovGuam expects provision by Contractor of highly professional and courteous customer service.

B. Telephone

Contractor shall maintain a toll-free telephone number for Customer service. Contractor shall install and maintain telephone equipment, and have available service representatives sufficient to handle the volume of calls typically experienced on the busiest days. Dedicated customer service representatives shall be available to answer calls from 8 a.m. to 5 p.m., Monday through Friday. Contractor shall also maintain an after-hours telephone message system to take calls received other than during normal business hours. Contractor shall provide the GovGuam a means of contacting a representative of the Contractor on a 24-hour basis.

5.3 SERVICE COMPLAINTS AND RESOLUTION

A. General

The GovGuam expects Customers to receive a high level of Customer service that is provided in a professional, timely, and courteous manner.

B. Customer Complaint Log

Contractor shall maintain a written log of all oral and written service complaints registered with Contractor from Customers ("Complaint Log"). Contractor shall be responsible for prompt and courteous attention to, and prompt and reasonable resolution of, all Customer complaints. Contractor shall record in the Complaint Log all written and oral complaints, noting the name and address of complainant, date and time of complaint, nature of complaint, identity of supervisor, and nature and date of resolution. Such log shall be kept so that it may conveniently be inspected by representatives of GovGuam upon written request. Such log shall be retained by Contractor for three (3) years following the end of the year in which the complaint was made, except that any log incidental to a breach, a default, or a cause of termination shall be retained through the Term unless the GovGuam otherwise allows for its disposal.

C. Resolution of Complaints

Contractor shall respond to all Customer complaints within twenty-four (24) hours, Saturdays, Sundays and holidays (as specified in Exhibit A) excluded. Contractor shall make best efforts to resolve all complaints within ten (10) Working Days, with the exception of missed Customer pick-ups. If a complaint involves a missed pick-up of Solid Waste provided by the Customer for Collection in accordance with GovGuam

ordinances, Contractor shall Collect the Solid Waste in question by the same day if the complaint is received by 12 Noon, or by 12 Noon the following Working Day if the complaint is received after 12 Noon.

5.4 CHANGE IN COLLECTION OPERATIONS, ADMINISTRATION, OR SCHEDULE

A. Guam Gov Notice

Changes to Solid Waste Collection routes or Collection days, or other changes to Collection operations that have possible potential to create Customer confusion, are subject to prior approval of the GovGuam Representative, which shall not be unreasonably withheld. The GovGuam shall respond to such a request within five (5) business days of the request from the Contractor. A change in Collection route or day is defined as any change that affects more than five (5) percent of customers.

B. Customer Notice

Contractor shall notify all affected Customers at least thirty (30) calendar days prior to any change in their scheduled day of Solid Waste Collection. Contractor shall not permit any Customer to go more than seven (7) calendar days without service in connection with a Collection schedule change, excluding scheduled holidays.

5.5 REPORT UNAUTHORIZED CUSTOMER CONTAINERS

Contractor shall direct its employees to tag unauthorized containers used by Customers and report any Customer address at which the Customer is not using an authorized Customer Can or Customer Bag for collection service. Contractor shall notify GovGuam by fax at the end of the Working Day the customer addresses receiving tag notifications during the day.

5.6 HAZARDOUS WASTE

A. General

If Contractor determines that waste placed in any Customer Can or Customer Bag for Collection is Hazardous, Medical or Infectious Waste, or other waste that may not legally be disposed of at the Disposal facility or presents a hazard to Contractor's employees, Contractor shall have the right to refuse to accept such waste. The Customer shall be contacted by Contractor and requested to arrange proper disposal. If the Customer cannot be reached immediately, Contractor staff shall, prior to leaving the premises, leave a tag indicating the reason for refusing to collect the waste.

B. Ownership of Hazardous Waste

The Parties agree and intend that upon Collection all Collection Materials (not including Hazardous Waste or other waste that Contractor is prohibited from collecting under its governmental permits) becomes the property of Contractor. All other materials (including Hazardous and other waste that Contractor is prohibited from collecting under its governmental permits) shall remain the property of the Customer that disposed of such materials, which shall remain solely responsible for such materials, including without limitation for their transportation and disposal, retrieval of such materials from any

location to which Contractor may have transported them and for any and all damages, losses, liabilities, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits arising out of relating to the generation, transportation, handling, cleanup, remediation or disposal of or with respect to such materials.

C. Hazardous Waste Disposal Responsibility

If Hazardous Waste is nonetheless Collected by Contractor during Contractor's normal Collection Service and the Customer cannot be identified or fails to remove the waste after being requested to do so, Contractor shall arrange for its proper disposal at no cost to GovGuam. Contractor shall make a good faith effort to recover the cost of proper disposal from the Customer, and the cost of this effort as well as the cost of disposal shall be chargeable to that individual or entity. If the Customer cannot be identified, Contractor shall absorb the cost of proper disposal. Contractor shall report any such disposal cost in writing to the GovGuam within forty-eight (48) hours of the date and time incurred.

5.7 CHANGE IN SCOPE

A. General

GovGuam may require a Change in Scope, consisting of changes in, or modifications to existing Collection Services, or a request that Contractor provide new services; or may consider a Contractor request for a Change in Scope.

1. Should the Change in Scope result in documented increases in Contractor's operating or capital expenses, the GovGuam shall increase Service Fees as provided in Article 6.4 as necessary to compensate Contractor for the additional documented expenses.
2. Should the Change in Scope result in documented decreases in Contractor's operating or capital expenses, the GovGuam shall decrease Service Fees as provided in Article 6.4, as necessary to reflect such decrease in costs.
3. Should the Change in Scope result from GovGuam directing the Contractor to transport waste to a landfill other than the current Designated Disposal Facility (Ordot Dump) designated by this Agreement as of the Signature Date.

B. Good Faith Negotiation

In the event of a Change in Scope, the Parties agree to negotiate in good faith to determine the applicable distribution for the reasonable costs of reviewing the proposed Change in Scope, and for the resulting increase or decrease in Service Fees. Contractor shall promptly provide any documentation reasonably requested by GovGuam as necessary to identify and quantify any added or reduced expenses related to the Change in Scope. Either Party may, at its own cost, seek independent third-party assistance in determining the nature of any costs or savings. All determinations of added or reduced expenses shall be based on reasonable industry standards and averages for providing such services. If a Change in Scope results in a reduction or shift in equipment needs, to minimize capital expenditures, Contractor, including a parent or any affiliates, shall make its best efforts to redeploy or sell vehicles, Containers, equipment, and materials that are not fully amortized. With regards to any Change in

Scope, GovGuam reserves the right to adjust Contractor's compensation through an alternative method, such as a one-time or phased lump sum payment from the GovGuam to the Contractor, or from the Contractor to the GovGuam.

ARTICLE 6

CONTRACTOR COMPENSATION AND SERVICE FEES

6.1 SERVICE FEES

The Service Fees contained in Exhibit D ("Schedule of Fees") plus reimbursements of validated landfill Disposal tipping charges are the only compensation to Contractor for provision of Collection Services. Contractor shall bill GovGuam and collect payment in accordance with the Service Fees set forth in Exhibit C and pursuant to Article 6.

6.2 ADJUSTMENT OF SERVICE FEES

A. Annual Adjustment

The Contractor is entitled to one Service Fee adjustment annually beginning August, 2009. Contractor's request for an adjustment shall be prepared in a format approved by the GovGuam Representative, and is to be submitted to GovGuam by each May 15 beginning with May 2009. Each adjustment is to be based on data from a previous twelve (12) month period as specified in this Article 6.2, is to be approved by the GovGuam with good faith effort by August 1 of each year, and will be effective on each subsequent August 1. Each Service Fee component (e.g., Service Fee for residential Solid Waste Collection, Fiesta Event, and Bulky Item Collection Event) is adjusted as specified in this Article 6.2.

B. Adjustment of the Service Fee

Each Service Fee shall be adjusted to reflect the product of the change in the annual inflation rate measured as the percentage increase in the Consumer Price Index (CPI) over the previous twelve (12) months. The twelve (12) month change in the CPI shall be calculated using the twelve (12) months that began fourteen (14) months prior to the effective date of the Service Fee adjustment. Thus the calculation of the change in the CPI for a Service Fee adjustment taking effect on August 1, 2009 shall be for the period May 1, 2008 through April 30, 2009. The adjusted Service Fee shall be calculated as follows:

$$\text{Adjusted Service Fee} = \text{Current Service Fee} \times (\text{Current CPI} / 12\text{-month previous CPI}) / 1)$$

For example, assume:

1. The Service Fee for residential Collection service collected once per week is \$10.00 per month.

2. Current CPI = 123
3. 12-month previous CPI = 118.8

Then the adjusted CPI Component is calculated as follows:

Adjusted Service Fee =

$$\$10 \times [(123/118.8) / 1] = \$10.35$$

C. CPI Index Cap

In the event that the specified CPI index increases by more than five (5) percent in any one year (i.e., Current CPI/12-month previous CPI is greater than 1.05), the Contractor shall receive an adjustment of the CPI Component of each Service Fee greater than five (5) percent only to the extent that the Contractor can demonstrate that actual costs increased more than five (5) percent during that twelve month period.

D. Change in the CPI Index

If the CPI is discontinued or revised during the Term by the United States Department of Labor, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised.

6.3 APPROVAL AND NOTICE OF ADJUSTED SERVICE FEES

The GovGuam shall act in good faith to approve adjusted Service Fees on each August 1, beginning with August 1, 2009.

6.4 SPECIAL SERVICE FEE REVIEW

A. Eligible Items

Notwithstanding the schedule for annual Rate adjustments described in Section 6.2 and subject to the terms herein, the Contractor is entitled to apply to GovGuam for consideration of a special Service Fee review, or GovGuam may initiate such a review should one or more of the following occur:

1. A Change in Scope as provided in Article 5.7.
2. A Change in Law for which Contractor compliance is mandatory, and that results in significant documented increases in the specific cost of providing Collection Services.

B. Ineligible Items

Items for which Contractor will not be additionally compensated over the Term, except as resulting from a Change in Scope, include, but are not limited to:

1. Changes in fuel cost.
2. Increases in transportation time and/or costs related to provision of Collection

- Services unrelated to a change in the Designated Disposal Facility.
3. Changes in the number of Customers due to changes in population or housing development, or to annexation or de-annexation.
 4. Shifts in the number of SW Bags or SW Cans set out for collection at a Customer's residence over time.
 5. Incorrectly estimated number of Customers or inaccuracies in any other assumptions or data at any time during the Term.
 6. Changes in local or federal clean air regulations.

C. Review of Costs

Should either Party request a special Service Fee review, GovGuam shall have the right to review any or all costs associated with the Contractor's services under this Agreement.

D. Submittal of Request

Contractor must submit any request for a special review of Service Fee, and reasonable cost and operational data in a form and manner specified by GovGuam at least three (3) months prior to the proposed effective date of any Service Fee adjustment, and shall make every effort to have any such increase coincide with a regular annual CPI based Service Fee adjustment.

E. Burden of Justification

Contractor shall bear the burden of justifying to GovGuam by Substantial Evidence any entitlement to a Service Fee adjustment under this Article 6.4. If GovGuam determines that the Contractor has not met its burden, the Contractor may request another hearing to produce additional evidence. Upon request, GovGuam may permit said additional hearing.

F. Grant of Request

Based on evidence the Contractor submits, GovGuam may grant some, all or none of the requested Service Fee adjustment.

G. Calculation of Service Fee Adjustment

Any Service Fee adjustment made pursuant to this Article 6.4 shall be calculated as illustrated in Article 6.2.

ARTICLE 7

RECORD KEEPING, REPORTING, AND PERFORMANCE REVIEWS

7.1 RECORD KEEPING

A. Accounting Records

Contractor shall maintain full, complete and separate financial, statistical and accounting records, pertaining to provisions of all Collection Services, prepared on an accrual basis in accordance with generally accepted accounting principles. Such records shall be subject to audit, copy, and inspection by the Office of the Public Auditor (reference 5 GCA, Chapter 5, Article 12). Contractor shall maintain and preserve financial records for a period of not less than five (5) years following the close of each of the Contractor's fiscal years, except that any record incidental to an assessment a breach, a default, or a cause of termination shall be retained through the Term unless the GovGuam otherwise allows for its disposal.

B. Collection Materials Records

Contractor shall maintain accurate tonnage records of the quantities of Solid Waste Collected and Disposed under the terms of this Agreement. Such records shall be developed and submitted to GovGuam on a monthly basis, and be documented by a scale house receipt from the Designated Disposal Facility each time Contractor delivers a load for Disposal. To the extent Contractor recycles or otherwise Diverts from landfill Disposal materials collected during Bulky Item Collection Events, Contractor shall maintain records on the amount of such materials not Disposed.

C. Customer Complaint Log

Contractor shall maintain the customer complaint log pursuant to Article 5.3B.

D. Other Records

Contractor shall maintain all other records reasonably related to provision of Collection Services, whether or not specified in this Article 7 or elsewhere in the Agreement.

7.2 QUARTERLY AND ANNUAL REPORTING

A. General

Annual reports shall be submitted no later than February 1 for the previous calendar year, beginning February 1, 2008. Annual reports shall be submitted in hard copy, and shall be provided electronically in software acceptable to the GovGuam.

B. GovGuam Reports

Annual reports to the GovGuam shall be due on February 1 of each year, beginning February 1, 2006, and shall include:

1. A summary of the prior year's quarterly Monthly Service Fee revenues, and payments received from GovGuam for documented tipping fee reimbursements..
2. Customer data submitted in hard copy, including the average number of Customers serviced each quarter, and a current listing Customer names and addresses as of

December 31.

3. Public education and information activities undertaken during the year, including distribution of program information to Customers, collection notification tags issued, a listing of Fiesta Events and Bulky Item Collection Events serviced, and other activities related to the provision of Collection Services. Discuss the impact of these activities on Can/Bag Service program participation and amounts collected at community events.
4. Detailed review of the number and type of complaints received over the past year, including how they were resolved and the elapsed time between receipt of the first complaint and final resolution of the complaint. Contractor shall propose, and GovGuam shall approve in advance the format to be used for this portion of the annual report.
5. Audited annual financial statement/report provided each year beginning in 2007, and submitted no later than 60 days following the close of the Contractor's fiscal year. The audited financial statement shall be specific to the operations to be provided under this contract. In addition, the statements/reports shall address all specific information regarding the overall financial situation of the Contractor that could in any reasonably foreseeable way affect the ability of the Contractor to fulfill its obligations under this Agreement, including but not limited to Contractor's ability to service short-term and long-term debt. The financial statements, management letter and footnotes shall be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited in accordance with Generally Accepted Auditing Standards (GAAS) by a certified public accountant (CPA) licensed (in good standing) to practice public accounting in Guam. The CPA opinion on Company's annual financial statements and supplemental schedule shall be unqualified, except as to uncertainties for which the ultimate outcome cannot be determined by the date of the CPA's opinion. The cost for the audits shall be borne by Company as part of its proposed cost of providing service.

Quarterly reports to the GovGuam shall be due 45 days after the end of the respective quarter and shall include:

1. Total tons Disposed through provision of the Collection Services.
2. GovGuam payments received for Monthly Service Fee and Disposal Facility tipping fee reimbursements.

Company shall, in its agreement with the CPA performing its annual audit referred to above, have its CPA make available to the Office of the Public Auditor (or GovGuam's designated representative) such CPA's working papers related to the audit. The cost, if any, incurred by Company's CPA shall be included in the cost of the audit.

D. Additional GovGuam Report Information to Be Submitted As Requested

GovGuam may also require that the annual reports include some or all of the following information and data:

1. **Solid Waste Data.** Include the average number of daily setouts, and tons Collected and transported to the Disposal facility.. Indicate best estimate of number of SW Bags collected on routes.

2. **Praises, Complaints, Missed Pickups and Resolutions.** Provide a copy of log of praises and complaints and resolutions of complaints, including a summary of the type and number of complaints. Provide written record of all calls related to missed pickups and responses to such calls.
3. **Problems and Actions Taken.** Provide summary narrative of problems encountered with Collection activities and actions taken. Indicate type and number of notification tags left at Customer locations. Indicate instances of property damage or injury, poaching or scavenging, significant changes in operation, market factors, publicity conducted, and needs for publicity.
4. **Equipment Inventory.** An updated complete inventory of collection vehicles used to provide Collection Service.

7.5 INSPECTION BY THE GOVGUAM

GovGuam Representative, or his designee(s) shall have the right to observe and review any Contractor's records, operations, and equipment, used in or connected with the provision of Collection Services, and to enter premises during normal business hours for the purposes of such observations and review at any time without prior notification. GovGuam Representative shall make notification to Contractor's Representative upon arrival. The GovGuam Representative will comply with all policies and procedures of Contractor when on Contractor's premises.

ARTICLE 8

INDEMNITY, INSURANCE, BOND

8.1 INDEMNIFICATION OF THE GOVGUAM

The Contractor agrees to and shall indemnify, defend, with Counsel acceptable to the GovGuam, and hold harmless GovGuam, its officers, officials, employees, volunteers, agents and assigns (indemnities) from and against any and all damages (whether special, general or punitive), loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property, strict liability, product liability, or for contribution or indemnity claimed by third parties) arising or resulting from or in any way connected with: (i) the operation of the Contractor, its agents, employees, contractors, and/or subcontractors, in performing or failing to perform this Agreement; (ii) the failure of the Contractor, its agents, employees, contractors and/or subcontractors to comply in all respects with applicable laws, ordinances and regulations, and/or applicable permits and licenses; and (iii) the acts of Contractor, its officers, employees, agents, contractors and/or subcontractors in performing services under this Agreement for which strict liability is imposed by law. The foregoing indemnity shall apply regardless of

whether such loss, liability, penalty, forfeiture, claim, demand, action, proceeding, suit, injury, death or damage is also caused in part by any of the indemnities' negligence.

The Contractor will not, however, be required to reimburse or indemnify the GovGuam to the extent any damages, losses, liabilities, fines, penalties, forfeitures, claims, demands, actions, proceeding or suits, as more fully set forth above, are due to intentional wrongful acts or the active negligence of the GovGuam. In instances where Contractor and GovGuam are both named defendants, Contractor shall provide a defense for the GovGuam, unless after meeting and conferring on the issue, it appears that sufficient conflicts between the Contractor and the GovGuam exists so as to reasonably prevent a joint defense of the Contractor and GovGuam by counsel for the Contractor. If a final decision, judgment, or settlement allocates liability to the Contractor and to the GovGuam, or to one or more other GovGuam contractors, Contractor shall have no obligation to the GovGuam for indemnification or otherwise with respect to any liability allocated to the GovGuam for intentional wrongful acts or active negligence. The Contractor's responsibility for indemnification of one or more other GovGuam contractors, if any, shall be based on legal principles regarding allocation of fault, contribution and equitable indemnity."

8.2 HAZARDOUS SUBSTANCES INDEMNIFICATION

Contractor shall indemnify, defend with counsel acceptable to GovGuam, protect and hold harmless the GovGuam, its officers, officials, employees, agents, assigns and any successor or successors to the GovGuam's interest from and against any and all claims, damages (including but not limited to special, consequential, natural resources and punitive damages) injuries, response mediation and removal costs, losses, demands, debts, liens, liabilities, causes of action, suits, legal or administrative proceedings, interest, fines, charges, penalties attorneys fees for the adverse party and expenses (including but not limited to attorneys and expert witness fees and costs incurred in connection with defending against any of the foregoing or in enforcing this indemnity) of any kind whatsoever paid, incurred or suffered by, or asserted against, the GovGuam or its officers, officials, employees, agents, assigns, or contractors arising from or attributable to acts or omissions including but not limited to any repair, cleanup, disposal or detoxification, or preparation and implementation of any removal, remedial, response, closure or other plan (regardless of whether undertaken due to governmental action) concerning any hazardous substance or hazardous wastes at any place where the Contractor transports, stores or disposes of Collection Materials pursuant to this Agreement. This obligation to indemnify is limited to responsibility, liability and damages, as more fully set forth above attributed to Collection Materials or other commodities transported, stored, or disposed of pursuant to the exclusive services for Collection under this Agreement.

If a final decision or judgment or settlement allocates Liability for matters within the scope of Section 8.2 to Contractor and one or more other GovGuam contractors, then Contractor shall have no obligation to the GovGuam for indemnification with respect to any Liability allocated: (i) to such other contractor or contractors; (ii) to the GovGuam for activities undertaken by such other contractor or contractors; or (iii) to GovGuam for Liability resulting from activities of Contractor not related to Collection under this Agreement.

8.3 INSURANCE SCOPE AND LIMITS

The Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection

with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors. With respect to General Liability, Errors & Omissions and Pollution and/or Environmental Impairment Liability coverage should be maintained for a minimum of five (5) years after contract completion. The maintenance of claims made against any insurance required of the Contractor shall not be considered a waiver by GovGuam of any claim or liabilities it may have against the Contractor.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance covering comprehensive General Liability.
2. Insurance covering Automobile Liability and endorsement.
3. Worker's Compensation Insurance and Employer's Liability Insurance as required by GovGuam.

B. Minimum Limits of Insurance

The Contractor shall maintain limits no less than:

1. **Commercial General Liability:** Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence with an aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per-occurrence basis. The GovGuam may require specific coverages including completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal liability or any other liability insurance deemed necessary because of the nature of the contract.
2. **Automobile Liability:** Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than One Million Dollars (\$1,000,000). Coverage should include owned and non-owned vehicles used in connection with the contract.
3. **Worker's Compensation:** A policy of Worker's Compensation insurance as may be required by the Guam Labor Code.

C. Deductible and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved in writing by the GovGuam. At the option of the GovGuam, either the Insurer shall reduce or eliminate such deductibles or self insured retentions as respects the GovGuam, its officers, officials, employees and volunteers; or the Contractor shall provide evidence satisfactory to the GovGuam guaranteeing payment of losses and related investigations, claim administration and defense expenses. Notwithstanding the foregoing, the GovGuam may elect not to accept any deductibles or self-insured retentions offered by the Contractor.

D. Other Insurance Provisions

1. The policies are to contain, or be endorsed to contain, the following provisions:
 - a. The GovGuam, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased,

hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations; Pollution and/or Asbestos Pollution.

- b. The Contractor's insurance coverage shall be primary insurance as respects the GovGuam, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the GovGuam, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
 - c. Each insurance policy required by this clause shall be occurrence-based (other than for pollution legal liability, which may be claims-made), or an alternate form as approved by the GovGuam and shall be endorsed to state that coverage shall not be canceled by the Insurer except after thirty (30) days prior written notice has been given to the GovGuam.
 - d. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - e. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under the Civil Code.
2. **Automobile Liability Coverage.** The Automobile Liability policy shall be endorsed to delete paragraph A of the Pollution exclusion and add the Motor Carrier Act endorsement (MCS-90) and/or other endorsements required by federal or state authorities.
 3. **Worker's Compensation and Employers Liability Coverage.** The insurer shall agree to waive all rights of subrogation against the GovGuam, its officers, officials, employees and volunteers for losses arising from work performed by the Contractor for the GovGuam.
 4. **All Coverages.** Each insurance policy required by this clause shall be occurrence-based (other than for pollution legal liability, which may be claims-made) or an alternate form as approved by the GovGuam and endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the GovGuam.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted. If pollution and/or Environmental Impairment and/or errors and omissions coverages are not available from an Admitted insurer, the coverage may be written with the GovGuam's permission, by a Non-admitted insurance company. A Non-admitted company should have an A.M. Best's rating of A:X or higher.

F. Verification of Coverage

As provided in Article 3.10 D and Exhibit E, the Contractor shall furnish the GovGuam with original certificates evidencing coverage required by this clause.

G. Subcontractors

The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificate and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

H. Other Provisions

1. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the GovGuam, its officers, officials, agents, employees and volunteers.
2. The GovGuam, its officers, officials, agents, employees and volunteers shall be named as additional insureds on all policies.

8.6 INSTRUMENT FOR SECURING PERFORMANCE

No later than the Effective Date, the Contractor shall file with the GovGuam an instrument for securing performance payable to the GovGuam, in a form acceptable to the GovGuam, securing the Contractor's faithful performance of each and every one of its obligations under this Agreement. The instrument shall become Exhibit F to this Agreement. The principal sum of the instrument shall be \$_____. The instrument may be in the form of a certificate of deposit, letter of credit or performance bond. The instrument shall as required be executed as surety by a corporation authorized to issue such instrument in Guam, with a financial condition and record of service satisfactory to the GovGuam. The instrument shall be in a form specified by the GovGuam Representative. The instrument shall be renewed annually and remain in force for the duration of this Agreement. The premium for a letter of credit or any other charge related to maintenance of any of the instruments shall be paid by the Contractor.

ARTICLE 9

BREACH, DEFAULT, AND TERMINATION

9.1 EVENTS OF BREACH

A. Definition

The Parties acknowledge that provision of consistent, reliable Collection Services is of utmost importance to GovGuam and that GovGuam has considered and relied on Contractor's representations as to its ability and commitment to quality of service in awarding this Agreement. If Contractor fails to fully perform any of its obligations under this Agreement (other than "Events of Default" stipulated in Section 9.2), Contractor shall be in breach of this Agreement.

B. Cure of Breach

Contractor shall begin cure of any breach as soon as it becomes aware of the breach,

whether discovered by Contractor or through notice from GovGuam. Upon giving or receiving written notice of a breach, Contractor shall proceed to cure such breach as follows:

1. Immediately, if the breach is such that in the sole determination of GovGuam, the health, welfare or safety of the public is endangered thereby; or
2. Within thirty (30) days of giving or receiving notice of the breach; provided that if the nature of the breach is such that it will reasonably require more than thirty (30) days to cure, Contractor shall not be in default so long as Contractor promptly commences to cure such breach, provides GovGuam weekly written status of progress in curing such breach, and diligently proceeds to complete same. The thirty (30) day cure period may only be extended upon Contractor's receipt of written agreement from GovGuam.

9.2 EVENTS OF DEFAULT

A. Definition

Each of the following shall constitute an Event of Default ("Event of Default") hereunder:

1. **Material Breach.** Failure to perform any obligation under this Agreement which (i) constitutes a significant hazard to the public health safety or welfare or (ii) would impose civil or criminal liability on the GovGuam.
2. **Non-Material Breach.** A non-material breach of this Agreement shall not constitute an Event of Default if (i) such breach is cured as specified in Article 9.1 B upon notice to Contractor, and (ii) such breach is accidental, inadvertent, and occasional and not a pattern and practice of Contractor.
3. **Repeated Pattern of Breaches.** There is a pattern of breaches over time such that in combination, they constitute a significant failure by Contractor to perform its obligations.
4. **Misrepresentation or False Warranty.** Any representation, disclosure, assurance, or warranty made to GovGuam by Contractor in connection with, or as an inducement to entering into or performing this Agreement or any future amendment to this Agreement, or that is a condition to the effectiveness of the Agreement, that proves to be false or misleading in any material respect as of the time the representation, disclosure, assurance, or warranty is made.
5. **Seizure or Attachment of Equipment.** There is a seizure or attachment (other than a prejudgment attachment) of, or levy affecting possession on, the operating equipment of Contractor, including without limit its vehicles, maintenance or office facilities, or any part thereof of such proportion as to impair Contractor's ability to perform under this Agreement and which cannot be released, bonded, or otherwise lifted within forty-eight (48) hours excluding weekends and holidays.
6. **Contractor Debt.** Contractor files a voluntary petition for debt relief under any applicable bankruptcy, insolvency, debtor relief, or other similar law now or hereafter in effect, or consents to the appointment of, or taking of possession by, a receiver, liquidator, assignee (other than as a part of a transfer of equipment no longer useful to Contractor or necessary for this Agreement), trustee (other than as security for an obligation under a deed of trust), custodian, sequestrator (or similar official) of Contractor for a part of Contractor's operating assets or any substantial part of Contractor's property, or shall make any general assignment for the benefit of Contractor's creditors, or shall become insolvent and unable to pay its debts

- generally as they become due.
7. **Court Order or Decree.** Any court having jurisdiction shall enter a decree or order for relief in respect of Contractor, in any involuntary case brought under any bankruptcy, insolvency, debtor relief, or similar law now or hereafter in effect, or Contractor shall consent to or shall fail to oppose any such proceeding, or any such court shall enter a decree or order appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of Contractor or for any part of Contractor's operating equipment or assets, or order the winding up or liquidation of the affairs of Contractor.
 8. **Failure to Provide Performance Assurances.** Contractor fails to provide reasonable assurances of performance as required under Article 8.6.
 9. **Failure to Notify GovGuam.** Contractor fails to notify GovGuam in a timely manner of any receipt of notice of violation or official communication from those regulatory agencies regulating Solid Waste Collection, transportation, processing or Disposal activities that might materially affect Contractor's ability to perform all of the Collection Services.
 10. **Lapse of Financial Requirement.** Lapse of any insurance, letter of credit, bond or other financial instrument required under this Agreement.
 11. **Regulatory Violation.** Contractor violates in any material respect any orders or filings of any regulatory body having jurisdiction over Contractor relative to this Agreement, provided Contractor may contest any such orders or filings by appropriate proceedings conducted in good faith, in which case no breach of this Agreement shall be deemed to have occurred until the later of a final order or judgment has been issued.
 12. **Cessation of Services.** Contractor ceases to provide Collection Services as required under this Agreement for a period of two (2) consecutive days or more, for any reason within the control of Contractor.
 13. **Failure to Meet Reporting Requirements.** Contractor fails and/or refuses to provide GovGuam with required information, reports, and/or records in a timely manner as provided for in the Agreement.
 14. **Unremedied Acts or Omissions.** Any act or omission relative to this Agreement by Contractor which violates in any material respect the terms, conditions, or requirements of this Agreement, or, if Contractor cannot reasonably correct or remedy the breach within the time set forth in such notice, if Contractor should fail to commence to correct or remedy such violation within the time set forth in such notice and diligently effect such correction or remedy thereafter.
 15. **Criminal Activity of Contractor.** Should Contractor or any of its officers, directors or contract manager, or others in position to supervise or influence actions under this Agreement, be "found guilty" of felonious conduct relating to its obligations, or other felonious conduct at any of Contractor's operations. The term "found guilty" shall be deemed to include any judicial determination that Contractor or any of Contractor's officers, directors or employees is guilty, and any admission of guilt by Contractor, or any of Contractor's officers, directors or employees including, but not limited to, the pleas of "guilty," "nolo contendere," "no contest," or "guilty to a lesser felony" entered as part of any plea bargain. Such felonious conduct includes, but is not limited to any activities related to or carried out pursuant to this Agreement for: (i) price fixing, (ii) illegal transport or disposal of hazardous or toxic materials, (iii) bribery of public officials, or (iv) fraud or tampering. In the event of felonious conduct GovGuam reserves the right to exercise one or more of the remedies specified below in Article 9.5. Such action shall be taken after Contractor has been given notice and an opportunity to present evidence in

mitigation. If GovGuam does not terminate this Agreement, Contractor shall dismiss or remove officers, directors or employees found guilty of felonious behavior and take all action necessary and appropriate remedy any breach of its obligations.

16. **Assignment.** Contractor assigns this Agreement in violation of Article 10.5.

B. Notice of Default

Contractor shall be in default from the date of receipt of a notice from GovGuam identifying such default. The notice shall include a brief description of the default. Contractor may review (and copy at its own expense) all information in the possession of GovGuam relating to the Event(s) of Default. Contractor may, within three (3) Working Days after receiving the notice, request a meeting with GovGuam Representative. Contractor may present evidence in writing and through testimony of its employees and others relevant to the Event(s) of Default. The decision of GovGuam Representative regarding determination of an Event(s) of Default shall be final.

C. Cure of Default

Contractor shall begin cure of any Event of Default as soon as it becomes aware of the Event of Default, whether discovered by Contractor or through notice from GovGuam. Upon giving or receiving verbal notice of default, Contractor shall proceed to cure such breach as follows:

1. Immediately, if the default is such that in the sole determination of GovGuam, the health, welfare or safety of the public is endangered thereby; or
2. Within ten (10) Working Days of giving or receiving notice of default; provided that if the nature of the default is such that it will reasonably require more than ten (10) days to cure, Contractor shall have such additional time as is reasonably needed to expeditiously complete a cure, and only upon written agreement from GovGuam. During any default cure period, Contractor shall provide GovGuam weekly written status of progress in curing such default.

9.3 GOVGUAM DETERMINATION OF CURE OF BREACH OR DEFAULT

An Event of breach or default shall be considered remedied and/or cured upon signature by both Parties of a written agreement specifying the event and stating that remedy and/or cure of such event has been completed.

9.4 GOVGUAM'S RIGHT TO PERFORM

A. General

In addition to any and all other legal or equitable remedies, in the event that Contractor, for any reason whatsoever, fails, refuses or is unable to provide any Collection Service for a period of more than seventy-two (72) hours, and if, as a result thereof, should Solid Waste accumulate in GovGuam to such an extent, in such a manner, or for such a time that GovGuam should find that such accumulation endangers or menaces the public health, safety or welfare, then GovGuam shall have the right, but not the obligation, without payment to Contractor upon twenty-four (24) hours prior notice to Contractor during the period of such emergency as determined by GovGuam: (i) to perform, or

cause to be performed, such services itself with its own or other personnel without liability to Contractor; and/or (ii) to take possession of any or all of Contractor's land, equipment and other property used or useful in providing Collection Services and to use such property to provide any Collection Services.

Notice of Contractor's failure, refusal or neglect to provide Collection Services may be given orally by telephone to Contractor and shall be effective immediately. Written confirmation of such oral notification shall be sent to Contractor within twenty-four (24) hours of the oral notification.

Contractor further agrees that in such event:

1. It will fully cooperate with GovGuam to affect the transfer of possession of property to GovGuam for GovGuam's use.
2. It will, if GovGuam so requests and to the extent feasible, keep in good repair and condition all of such property, provide all motor vehicles with fuel, oil and other service, and provide such other service, and provide such other service as may be necessary to maintain said property in operational condition.
3. GovGuam shall provide Contractor reasonable compensation for provision of Contractor's land, equipment, or other property if the GovGuam's exercise of the right to perform is the result of an Uncontrollable Circumstance.

GovGuam's exercise of its rights under this Article 9: (i) does not constitute a taking of private property for which compensation must be paid; (ii) will not create any contract, tort, or common count liability on the part of GovGuam to Contractor; and (iii) does not exempt Contractor from the indemnity provisions of Article 8.1, which are meant to extend to circumstances arising under this Section, provided that Contractor is not required to indemnify GovGuam against claims and damages arising from the active negligence or willful misconduct of GovGuam officers, employees, agents, or volunteers acting under this section. GovGuam shall make good faith efforts to coordinate use of Contractor's land, equipment and other property with Contractor in order to minimize interference with or disruption of other business activities of Contractor.

B. Duration of GovGuam's Possession

GovGuam has no obligation to maintain possession of Contractor's property and/or continue its use in providing any Collection Services for any period of time and may, at any time, in its sole discretion, relinquish possession to Contractor. GovGuam's right to retain temporary possession of Contractor's property, and to provide one or more Collection Services, shall continue until Contractor can demonstrate to GovGuam's satisfaction that it is ready, willing, and able to resume such services.

9.5 GOVGUAM REMEDIES FOR CONTRACTOR DEFAULT

Upon failure to cure a default pursuant to Article 10.2C, GovGuam shall have the following rights:

1. **Waive Default.** To, at its sole discretion, waive the Contractor default.
2. **Termination.** Terminate the Agreement in accordance with Article 9.7.
3. **All Other Available Remedies.** In addition to, or in lieu of termination, to exercise

all of its remedies in accordance with this Article 9 and any other remedies at law and in equity, to which GovGuam shall be entitled, according to proof.

4. **Damages Survive.** If Contractor owes any damages upon GovGuam's termination of the Agreement, Contractor's liability under this Article 9.5 shall survive termination.

Whether or not GovGuam exercises its right to terminate, GovGuam shall have the right to:

- (i) seek performance by the surety under the letter of credit, performance bond or certificate of deposit (instrument for securing performance), and (ii) make a claim on any insurance policy or policies.

9.6 GOVGUAM WAIVER OF BREACH OR DEFAULT

A waiver by GovGuam of any breach or default by Contractor shall not be deemed to be waiver of any other breach or default by Contractor, including ones with respect to the same obligations hereunder, and including new incidents of the same breach or default. The subsequent acceptance by GovGuam of any damages or other money paid by Contractor hereunder shall not be deemed to be a waiver by GovGuam of any preexisting or concurrent breach or default by Contractor.

9.7 TERMINATION

A. Termination for Cause

GovGuam shall have the right to terminate this Agreement without need for any hearing, suit, or legal action in the circumstances specified below. Contractor's liability to provide such records shall survive the termination of this Agreement. Contractor shall forfeit its instrument for securing performance to GovGuam to the extent required to compensate GovGuam for damages incurred as a result of the breach or default. Termination may occur upon an uncured Event of Default by Contractor.

B. Notice of Termination

In addition to any other available remedies GovGuam may impose as specified in Article 9.5 and as a result of Contractor default, GovGuam may give Contractor written notice of termination, effective within five (5) days. The decision of GovGuam Representative with regards to termination may be appealed to the (is there an appropriate Guam appeal board?). Upon notice of termination, Contractor shall promptly provide GovGuam with any or all records kept in accordance with Article 7 or any other record keeping provisions of this Agreement or its Exhibits.

9.8 POSSESSION OF PROPERTY UPON TERMINATION

In the event of termination for default, GovGuam shall have the right to take possession of any and all of Contractor's land, equipment, and other property used or useful in the Collection and transportation of Solid Waste in the provision of services under this Agreement and to use such property. GovGuam shall pay reasonable compensation to Contractor for the temporary use of such land, equipment, and other property except that GovGuam shall not be required to compensate Contractor for the value of business goodwill. GovGuam shall have

the right to retain the possession of such property for up to four (4) months until other suitable arrangements can be made for the provision of Solid Waste Collection services which may include the award of an agreement to another contractor(s). Contractor shall furnish GovGuam with immediate access to all of its business records related to its route maps and schedules. GovGuam shall make good faith efforts to coordinate use of Contractor's land, equipment and other property with Contractor in order to minimize interference with or disruption of other business activities of Contractor.

9.9 GOVGUAM'S REMEDIES CUMULATIVE: SPECIFIC PERFORMANCE

GovGuam's right to terminate the Agreement under Article 9.7 and to take possession of Contractor's properties under Article 9.8 are not exclusive, and GovGuam's termination of the Agreement shall not constitute an election of remedies. Instead, all remedies provided for in this Agreement shall be in addition to any and all other legal and equitable rights and remedies which GovGuam may have under law or as otherwise provided in this Agreement. By virtue of the nature of this Agreement, the urgency of timely, continuous and high-quality service, the lead time required to effect alternative service, and the rights granted by GovGuam to Contractor, the remedy of damages for a default hereof by Contractor is inadequate, and GovGuam may be entitled to injunctive relief.

9.10 EXCUSE FROM PERFORMANCE

A. Excuse from Performance

The Parties shall be excused from performing their respective obligations hereunder in the event they are prevented from so performing by reason of floods, moderate to severe earthquakes, tsunamis, other "acts of God," war, civil insurrection, riots, and other similar catastrophic events which are beyond the control of and not the fault of the Party claiming excuse from performance hereunder. Labor unrest, including but not limited to strike, work stoppage or slowdown, sickout, picketing, or other concerted job action conducted by Contractor's employees or directed at Contractor, or a subcontractor, is not an excuse from performance, and Contractor shall be obligated to continue to provide service notwithstanding the occurrence of any or all of such events. In the case of labor unrest or job action directed at a third party over whom Contractor has no control, the inability of Contractor to make collections due to the unwillingness or failure of the third party to provide reasonable assurance of the safety of Contractor's employees while making collections or to make reasonable accommodations with respect to container placement and point of delivery, time of collection, or other operating circumstances to minimize any confrontation with pickets or the number of persons necessary to make collections, shall, to that limited extent, excuse performance. The foregoing excuse shall be conditioned on Contractor's cooperation in making collection at different times and in different locations.

B. Inexcuse from Performance

In addition, none of the following are to be considered an excuse from performance: (i) general economic conditions, interest or inflation rates, or currency fluctuation or changes in the cost or availability of fuel, commodities, supplies or equipment; (ii) changes in transport or Disposal costs, Disposal facility locations, and/or other related circumstances; (iii) changes in the financial condition of Contractor or any of its

subcontractors affecting their ability to perform their obligations; (iv) the consequences of errors, neglect or omissions by Contractor, or any subcontractor; (v) any failure of any subcontractor or supplier to furnish labor, materials, service or equipment for any reason; or (vi) equipment failure.

C. Notice

The Party claiming excuse from performance shall, within two (2) days after such party has notice of such cause, give the other Party notice of the facts constituting such cause and asserting its claim to excuse under this Article. Notwithstanding, Contractor, in the event of a declared disaster, shall comply with the emergency plans of GovGuam.

D. Interruption or Discontinuance of Service

The partial or complete interruption or discontinuance of Contractor's services caused by one or more of the events described in this Article and constituting an excuse from performance shall not constitute an Event of Default by Contractor under this Agreement. Notwithstanding the foregoing, however, (i) the existence of an excuse from performance shall not affect GovGuam's right to perform services under Article 9.4 and (ii) if Contractor is excused from performing its obligations hereunder for any of the causes listed in this Article 9 for a period of thirty (30) days or more, other than as the results of third-party labor disputes under which Collection Services cannot be provided for reasons described earlier in this Article, GovGuam shall nevertheless have the right, in its sole discretion, to terminate this Agreement by giving ten (10) days notice, in which case the provisions of Article 9.5 shall apply.

9.11 RIGHT TO DEMAND ASSURANCES OF PERFORMANCE

If Contractor is: (i) the subject of any labor unrest including work stoppage or slowdown, sickout, picketing or other concerted job action; (ii) appears in the reasonable judgment of GovGuam to be unable to regularly pay its bills as they become due; or (iii) is the subject of a civil or criminal investigation, charge, or judgment or order entered by a federal, state, regional or local agency for violation of a law relating to performance under this Agreement, and GovGuam believes in good faith that Contractor's ability to perform under the Agreement has thereby been placed in substantial jeopardy, GovGuam may, at its option and in addition to all other remedies it may have, demand from Contractor reasonable assurances of timely and proper performance of this Agreement, in such form and substance as GovGuam believes in good faith is reasonably necessary in the circumstances to evidence continued ability to perform under the Agreement. If Contractor fails or refuses to provide satisfactory assurances of timely and proper performance in the form and by the date required by GovGuam, such failure or refusal shall be an Event of Default for purposes of Article 9.2.

ARTICLE 10

OTHER AGREEMENTS OF THE PARTIES

10.1 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall perform the Collection Services as an independent contractor engaged by GovGuam and not as an officer or employee neither of GovGuam nor as a partner of or joint venture with GovGuam. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of GovGuam. Except as expressly provided in this Agreement, Contractor shall have the exclusive control over the manner and means of conducting Collection Services and all persons performing such services. Contractor shall be solely responsible for the acts and omissions of its officers, employees, subcontractors, and agents. Neither Contractor, nor its officers, employees, subcontractors and agents, shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to GovGuam employees by virtue of their employment with GovGuam. Contractor or its employees shall not provide, directly or indirectly, any gifts or gratuities to any GovGuam employee or representative.

10.2 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws of the United States, GovGuam, and with all applicable regulations promulgated by any federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement, including all permit requirements for facilities used to provide Collection Services.

10.3 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the GovGuam.

10.4 JURISDICTION

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Guam, which shall have exclusive jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in Guam.

10.5 ASSIGNMENT

A. Definition

For purposes of this Article, "assignment" shall include, but not be limited to: (i) a sale, exchange, or other transfer of substantially all of Contractor's assets dedicated to service under this Agreement to a third party; (ii) a sale, exchange, or other transfer of thirty (30) percent or more of the outstanding common stock of Contractor; (iii) any reorganization, consolidation, merger recapitalization, stock issuance or re-issuance, voting trust, pooling agreement, escrow arrangement, liquidation, or other transaction to which Contractor or any of its shareholders is a party which results in a change of ownership or control of thirty (30) percent or more of the value or voting rights in the stock of Contractor; and (iv) any combination of the foregoing (whether or not in related or contemporaneous transactions) which has the effect of any such transfer or change of ownership. If Contractor is not a corporation, an assignment shall also include, among other things, any transfer or reorganization that has an effect similar to the situations

described in foregoing sentence for corporations. For purposes of this Article, the term "proposed assignee" shall refer to the proposed transferee(s) or other successor(s) in interest pursuant to the assignment. If Contractor is a subsidiary of another corporation or business entity, any assignment, as defined above, by the parent company or corporation shall be considered an assignment by Contractor.

B. GovGuam Consent

Contractor acknowledges that this Agreement involves rendering a vital service to GovGuam's residents and businesses, and that GovGuam has relied upon Contractor's representation of its experience and financial resources in qualifying Contractor to provide Collection Services under this Agreement. Except as provided in this Article, Contractor shall neither assign its rights nor delegate, subcontract, nor otherwise transfer its obligations under this Agreement to any other person or entity without the prior written consent of GovGuam. Any such assignment without the consent of GovGuam shall be void and the attempted assignment shall constitute a material breach of this Agreement. Under no circumstances shall GovGuam be required to consider any proposed assignment if there is an uncured Event of Default at any time during the period of consideration.

C. Requirements of Contractor

If Contractor requests GovGuam's consideration of and consent to an assignment, GovGuam may deny or approve such request in its complete discretion, and with or without a detailed review of the proposed assignment. No request by Contractor for consent to an assignment need be considered by GovGuam unless and until Contractor has met the following requirements:

1. Contractor shall pay GovGuam its reasonable expenses for attorney's fees and investigation costs to investigate the suitability of any proposed assignee, and to review and finalize any documentation required as a condition for approving any such assignment.
2. Contractor shall furnish GovGuam with audited financial statements of the proposed assignee's operations for the immediately preceding five (5) operating years.
3. Contractor shall furnish GovGuam with satisfactory proof that the proposed assignee has the demonstrated technical capability to perform all Collection Services and to provide exceptional service to customers, including: (i) that the proposed assignee has at least ten (10) years of Solid Waste management experience on a scale equal to or exceeding the scale of operations conducted by Contractor under this Agreement; (ii) in the last five (5) years, the proposed assignee has not suffered any significant citations or other censure from any state, federal, or local environmental laws and the assignee has provided GovGuam with a complete list of such citations and censures; (iii) the proposed assignee has at all times conducted its operations in an environmentally safe and conscientious fashion; (iv) the proposed assignee conducts its Solid Waste management practices in substantial compliance with all federal, state, and local laws regulating the Collection and Disposal of Solid Waste including hazardous substances; and (v) the proposed assignee has in the last five (5) years provided excellent service to existing franchised customers and has not been subject to any administrative or legal actions related to failure to provide adequate service under a contract or franchise; or any other information required by GovGuam to

ensure the proposed assignee can fulfill the terms of this Agreement in a timely, safe, and effective manner. GovGuam reserves the right to approve an assignment conditioned on an increase to the instrument for securing performance required pursuant to Article 9.6 and contained in Exhibit F and/or use of another mechanism in addition to, or as an alternative to, the instrument for securing performance required in Article 8.6 and contained in Exhibit D.

D. Application and Transfer Fee

Any application for transfer of this Agreement shall be governed by the following conditions:

1. Any application for transfer of this Agreement shall be made in a manner prescribed by GovGuam Representative. The application shall include a transfer fee in an amount to be set by resolution of the GovGuam to cover the cost of all direct and indirect administrative expenses including consultants necessary to adequately analyze the application and to reimburse GovGuam for all direct and indirect expenses. In addition, Contractor shall reimburse GovGuam for any and all additional costs related to the assignment requested and not covered by the transfer fee. Bills shall be supported with evidence of the expense or cost incurred. The applicant shall pay such bills within (30) days of receipt.
2. The transfer fees are over and above any other fees or charges specified in the Agreement.

E. Transition

If GovGuam consents to an assignment, at the point of transition, Contractor shall cooperate with GovGuam and subsequent Contractor(s) or subcontractor(s) to assist in an orderly transition which shall include, but not be limited to, Contractor providing route lists and Customer information, and make best efforts to minimize disruption to Customers.

10.6 DISPUTE RESOLUTION

A. Continue Performance

Except for an Event of Termination, in the event of any dispute arising under this Agreement, GovGuam and Contractor shall continue performance of their respective obligations under this Agreement and shall attempt to resolve such dispute in a cooperative manner, including but not limited to, negotiating in good faith.

B. Mediation

Any unresolved dispute arising between the Parties under this Agreement shall first be submitted to non-binding mediation before a recognized mediator having experience with agreements of this nature and that is mutually acceptable to the Parties, provided that neither Party shall unreasonably withhold its acceptance. If the parties are unable, after a period of thirty (30) days from commencement of the dispute resolution process, to agree on a mediator, either Party shall be entitled to petition a court of competent jurisdiction to appoint such a mediator for the Parties. Each Party shall bear its own

costs, including attorney's fees, incurred in connection with the mediation. If the mediation does not result in a resolution of the dispute that is acceptable to both Parties, either Party may pursue its legal remedies.

10.7 NON-DISCRIMINATION

Contractor shall not discriminate in the provision of service or the employment of persons engaged in performance of this Agreement on account of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such persons or as otherwise prohibited by law.

10.8 SUBCONTRACTING

Contractor shall not engage any subcontractors for performance of Collection Services without the prior written consent of GovGuam.

10.9 BINDING ON SUCCESSORS

The provisions of this Agreement shall inure to the benefit to and be binding on the successors and permitted assigns of the Parties.

10.10 TRANSITION TO NEXT CONTRACTOR

If at any point GovGuam desires to grant to a third party Collection Services which are contracted to Contractor under this Agreement, Contractor shall be obligated to cooperate with GovGuam and subsequent contractor(s) to assist in an orderly transition. One (1) year prior to the conclusion of the Base Term and of any Extension, and in order to assist with the competitive bid process to award the Collection Services at the conclusion of the Term, Contractor shall provide GovGuam with such information as may reasonably be requested, including but not limited to, route maps and days of collection, account names and phone numbers, and level of service provided. Contractor and the new contractor may choose at their discretion to enter into negotiations to sell (in part or all) Collection vehicles, and other equipment to the new contractor. Failure to provide full cooperation with a transition may, at GovGuam's sole discretion, preclude Contractor from participating in future competitive procurements.

10.11 PARTIES IN INTEREST

Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the Parties to it and their representatives, successors and permitted assigns.

10.12 WAIVER

The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision not of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any monies which become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach or violation by the other party of any provision of this Agreement.

10.13 CONDEMNATION

In addition to the rights in Article 9.4 GovGuam fully reserves the rights to acquire Contractor's property utilized in the performance of this Agreement, by purchase or through the exercise of the right to eminent domain.

10.14 NOTICE

A. Notice Procedures

All notices, demands, requests, proposals, approvals, consents and other communications with this Agreement require, authorize, or contemplate all, except as otherwise specifically provided, be in writing and shall be effective when personally delivered to a representative of the Parties at the address below or deposited in the United States mail, first class postage prepaid, addressed as follows:

If to GovGuam: Attention: _____

GovGuam

If to Contractor: Attention: _____

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section.

B. Facsimile Notice Procedures

1. Facsimile notice may be substituted for written notice with the following limitations:
 - a. Facsimile notice shall be considered valid and delivered at such time as an authorized representative of the receiving Party acknowledges receipt in writing or by a facsimile acknowledgement to the sending Party.
 - b. Written notice must follow any facsimile notice. This follow-up written notice in order for the facsimile notice to be valid.
2. If above conditions are met, facsimile notice will be considered effective from date and time of transmission as indicated on receiving Party's original copy of the transmission.

3. Facsimile notices must be sent to the following addressees:

If to GovGuam: _____

Fax number (____) _____

If to Contractor: District Manager

Fax number (____) _____

4. The facsimile number to which communications may be transmitted may be changed from time to time by a notice given in accordance with this Section.

10.15 REPRESENTATIVE OF THE PARTIES

All actions to be taken by GovGuam shall be taken by the GovGuam Representative, or an agent of GovGuam authorized by written notice to Contractor to enforce the terms of this Agreement.

1. The Director of Public Works shall be responsible for administration of this Agreement on behalf of GovGuam.
2. The Director of Public Works may delegate authority to appropriate GovGuam employees or other appropriate persons.
3. GovGuam reserves to itself all discretionary and administrative authority not otherwise expressly delegated pursuant to ordinance. Whenever this Agreement requires approval by GovGuam, the approval may be given by the Director of Public Works, or his or her designee.

Contractor shall, by 30 days prior to the Effective Date, designate in writing a responsible officer who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform GovGuam in writing of such designation and of any limitations upon his/her authority to bind Contractor. GovGuam may rely upon action taken by such designated representative as action of Contractor unless they are outside the scope of the authority delegated to him/her by Contractor as communicated to GovGuam.

10.16 GOVGUAM FREE TO NEGOTIATE WITH THIRD PARTIES

GovGuam may, at any time, investigate all options for the provision of the exclusive and non-exclusive services granted to Contractor by this Agreement. Without limiting the generality of the foregoing, GovGuam may solicit proposals from Contractor and from third parties for the provision of any or all Collection Services and may negotiate and execute agreements for such services which will take effect upon the expiration, or earlier termination under Article 9.7, of this Agreement and/or any future agreements.

10.17 CONTRACTOR TO DEFEND AGREEMENT

Contractor may at its election, and if it makes that election, at its sole expense defend the

validity of this Agreement against all challenges to the Agreement by any entity or person not a Party to this Agreement. Neither the GovGuam nor the Contractor shall have any liability to the other resulting from a determination that this Agreement violates any state or Federal law, statute, or constitutional provision, except to the extent such determination relates to Contractor's willful misconduct or negligence. However, if the Contractor elects to not defend the validity of this Agreement, the GovGuam may, upon reasonable notice, terminate the Agreement at its election, and if it makes that election, it shall have no liability to Contractor resulting from that election to terminate. Contractor's sole remedy shall be to seek remittance of Service Fees from GuamGov for services rendered by Contractor up to the date of termination, minus any offsets or monies due the GovGuam provided for under this Agreement.

ARTICLE 11

MISCELLANEOUS AGREEMENTS

11.1 ENTIRE AGREEMENT

This Agreement, including the Exhibits, represents the full and entire Agreement between the Parties with respect to the matters covered herein.

11.2 SECTION HEADINGS

The article headings and sections headings in this Agreement are for convenience of reference only and are not intended to be used in the construction of this Agreement, nor to alter or affect any of its provisions.

11.3 REFERENCES TO LAWS

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

11.4 INTERPRETATION

This Agreement shall be interpreted and construed reasonably and neither for nor against either party, regardless of the degree to which either Party participated in its drafting.

11.5 AMENDMENT

This Agreement may not be modified or amended in any respect except by a written agreement duly approved and signed by the Parties.

11.6 SEVERABILITY

If any nonmaterial provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of the Agreement which shall be enforced as if such invalid or

unenforceable provision had not been contained herein.

11.7 COUNTERPARTS

This Agreement may be executed in counterparts each of which shall be considered an original.

11.8 MISCELLANEOUS

A. Privacy

Contractor shall strictly observe and protect the rights of privacy of Customers during provision of all Collection Services. Information identifying individual Customers or the composition or contents of Customer's Solid Waste, Recyclables or Green Waste shall not be revealed to any person, governmental unit, private agency, or company, unless upon the authority of a court of law, by statute, written request from a law enforcement agency, or upon valid authorization of the Customer. This provision shall not be construed to preclude Contractor from preparing, participating in, or assisting in the preparation of waste characterizations studies or waste stream analysis which may be required by a regional, state, or federal agency.

B. Advice

Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any party being considered the party "drafting" this Agreement.

11.9 EXHIBITS

Each of the Exhibits identified is attached hereto and incorporated herein and made a part hereof by this reference.

IN WITNESS WHEREOF, GovGuam and Contractor have executed this Agreement as of the day and year first above written.

ATTEST:

GOVERNMENT OF GUAM

By ____

By ____

Title ____

APPROVED AS TO FORM:

("Contractor")

By ____

By ____

Title ____

EXHIBIT A

PERFORMANCE STANDARDS

Company Standards

1. Services are to be completed in thorough and professional manner that constitutes litter-free, reliable, timely, courteous and high-quality service.
2. Contractor shall at all times perform its duties using best industry practice for comparable operations.
3. Personnel shall conduct themselves in a courteous, workmanlike manner.
4. Personnel shall dress in clean, uniform shirts with suitable identification.

Vehicles

General

Contractor shall provide industry-standard Collection vehicles as needed for residential route collections, roll-off vehicles or other vehicles as needed for community events services, and any other vehicles in sufficient number and capacity to efficiently perform the work required by the Agreement in strict accordance with its terms. The Contractor agrees to maintain each piece of equipment used by it in the performance of this Agreement in good order and repair. Contractor shall have available on service days sufficient backup vehicles and qualified operators to respond to complaints and emergencies.

Vehicle Identification

The Contractor's name, phone number, and vehicle identification number must be visibly displayed on its Collection vehicles.

Cleaning and Maintenance

1. **General.** Contractor shall maintain all of its Collection equipment used in providing service under this Agreement in a safe, neat, clean and operable condition at all

times, and shall keep its properties, facilities, and equipment to the satisfaction of the GovGuam Representative. Vehicles shall be maintained in such a manner that no leakage of fluids from the collected materials occurs.

2. **Cleaning.** Vehicles used in the collection shall be thoroughly washed at a minimum of once per week, and thoroughly steam cleaned on a regular basis so as to present a clean appearance and minimize odors. All graffiti shall be removed immediately. GovGuam may inspect vehicles at any time to determine compliance with sanitation requirements. Contractor shall make vehicles available to the GovGuam Health Department for inspection at any frequency it requests.
3. **Maintenance.** Contractor shall inspect each vehicle daily to ensure that all equipment is operating properly. Vehicles which are not operating properly shall be taken out of service until they are repaired and do operate properly. Contractor shall keep accurate records of all vehicle maintenance, recorded according to date and mileage and shall make such records available to the GovGuam upon request.
4. **Repairs.** Contractor shall repair, or arrange for the repair of, all of its vehicles and equipment, including leaks, and other body damage, for which repairs are needed because of accident, breakdown or any other cause so as to maintain all equipment in a neat, safe and operable conditions.
5. **Inventory.** Contractor shall furnish sufficient equipment to provide all service required under this Agreement, including backup Collection vehicles. Contractor shall furnish the GovGuam a written inventory of all vehicles, including collection vehicles, used in providing service, and shall update the inventory annually. The inventory shall list all vehicles by manufacturer, ID number, date of acquisition, type, and capacity.
6. **Storage.** Contractor shall arrange to store all vehicles and other equipment in safe and secure location(s) in accordance with GovGuam's applicable zoning regulations.

Operation

All vehicles must be registered with the appropriate Department of Motor Vehicles at the frequency required by GovGuam. Vehicles shall be operated in compliance with the applicable Vehicle Code and all applicable safety and local ordinances.

Contractor shall not load Collection vehicles in excess of the manufacturer's recommendations or limitations imposed by local weight restrictions on vehicles.

Contractor shall use all reasonable means to minimize any backing of Collection vehicles in residential areas.

If the age of a collection vehicle reaches 15 years, the Contractor must notify the GovGuam.

This equipment shall be subject to inspection by the GovGuam or its designee.

Collection Schedule

1. If the day of collection on any given route falls on New Year's Day or Christmas Day, the Contractor shall provide collection service for such route on such day or the next workday following such holiday and shall not provide collection service on such holiday. In the event the holiday schedule of the Disposal Facility is different than the holidays stated herein, the holiday schedule will be adjusted by the Contractor in consultation

with the GovGuam to match those of the Facility. Contractor shall provide a minimum of 30-day written notification to GovGuam and to Customers affected by the schedule change.

2. The Contractor shall provide one pickup per week for Customers from the curbside or alleyway (with the exception of side yard or backyard service for individuals receiving such service due to medical or disability reasons).

Collection Routes

1. Collection routes shall be established and maintained in such a manner as to provide uniform and efficient collection services.
2. The Contractor shall submit route plans to the GovGuam Representative for informational purposes at the start of the Agreement, one year prior to the end of the Base Term, at end of the Base Term, at the end of any Extension and whenever there is a significant routing change. The route plans shall be formatted as maps that identify the properties served by each route, approximate starting and ending time for each route, the day of week the route will be served, etc.
3. Materials collected on the routes shall not be mixed in Contractor's collection equipment with any materials collected from sources other than those Customers receiving service under this Agreement.

Collection Requirements

Care of Private Property

Reasonable care shall be used by the Contractor's employees in handling all Collection Containers and enclosures, and all damage caused thereto by the negligence or carelessness of the Contractor's employees shall be promptly adjusted with the owner thereof. All Collection Containers after emptying thereof by the Contractor's employees shall be returned to within 5 feet of the location from which the same were picked up by the Contractor's employees, upright with lids properly secured, and Contractor's employees shall use all reasonable means to insure same are not deposited in a manner that blocks any driveway, sidewalk, or street. Contractor shall ensure that its employees close all gates opened by them in making collections, unless otherwise directed by the customer, and avoid crossing landscaped areas and climbing or jumping over hedges and fences. GovGuam shall refer complaints about damage to private property to Contractor. Contractor shall repair all damage to private property caused by its employees.

Noise

All collection operations shall be conducted as quietly as possible and shall conform to applicable federal, state, GovGuam noise level regulations. The GovGuam may conduct random checks of noise emission levels to ensure such compliance. Contractor shall promptly resolve any complaints of noise to the satisfaction of the GovGuam Representative.

Record of Non-collection

If any materials Delivered for Collection are not collected by the Contractor for sufficient

reason, Contractor shall provide notice at least 2 inches x 6 inches in size at Contractor's cost. The notice shall provide the Contractor's phone number and indicate the reasons for Contractor's refusal to collect the materials placed in the collection containers giving reference to the section of the GovGuam Ordinance Code or to the section of this Agreement which has been violated, and which gives grounds for Contractor's refusal. This information shall either be in writing or by means of a check system. Contractor shall maintain, at Contractor's place of business, a logbook listing all complaints and customer notifications. Said logbook shall contain the names and date and manner of disposition of each case. Such log shall be kept so that it may conveniently be inspected by representatives of the GovGuam upon request.

Load Checking

The Contractor is responsible for inspecting all materials prior to collection for Hazardous Waste or other unacceptable materials. The Contractor is not responsible for collection of Hazardous Waste or other unacceptable materials.

Litter Abatement

Minimization of Spills

Contractor shall use due care to prevent materials placed in the Collection containers from being spilled or scattered during the Collection or transportation process. If any material is spilled during Collection, the Contractor shall promptly clean up all spilled materials. Each Collection vehicle shall carry a broom and a shovel at all times for this purpose.

Contractor shall not transfer loads from one vehicle to another on any public street, unless it is necessary to do so because of mechanical failure or accidental damage to a vehicle.

Cleanup

During the Collection and transportation process, the Contractor shall clean up any materials that escape from the Collection vehicle as a result of the Contractor's service. In the event that litter not caused by the Contractor's service is in the vicinity of the Customer Cans and Customer Bags, the Contractor is required to clean up this litter whether or not Contractor has caused the litter on a one-time basis and shall discuss the spillage directly with the customer responsible and shall report such instances to the GovGuam. The Contractor shall work with the Customer to resolve the spillage problem. GovGuam will attempt to rectify such situations with the Customer if Contractor has already attempted to do so without success.

Covering of Loads

All materials shall be contained or covered during transportation to the Disposal facility. Material shall not be transported to the Disposal or processing facility in vehicle hoppers.

Oil or Other Vehicle Fluid Spills

Contractor is responsible for cleaning up all oil or vehicle fluid spills immediately and must notify the GovGuam within 24 hours of each such spill. All vehicles must carry an acceptable absorbent material to use in the event of spills. Repair for damages caused by oil or other vehicle spills shall be at the Contractor's expense. The Contractor will follow the spill

procedures below:

1. Driver will determine cause and source of spill.
2. Each driver or shop employee is responsible for having enough absorbent in their vehicle to contain or prevent any hydraulic fluid or oil from entering a storm drain or sewer and to clean up small spills as they occur.
3. Driver will contain or stop the leak and clean it up without endangering self.
4. Driver will immediately notify dispatch or supervisor.
5. Driver will not leave the spill until either a supervisor or spill response personnel arrive at the scene.
6. Driver will keep all people, cars, or other vehicles from walking or driving through the spill.
7. Driver or spill response personnel will take whatever action possible to prevent the spill from entering any storm drain, grates, or other entry points.

Personnel

General

Contractor shall furnish such qualified drivers, mechanical, supervisory, clerical and other personnel as may be necessary to provide the Collection Services required by this Agreement in a safe and efficient manner.

All Contractor employees must be able to read, write and speak English with sufficient proficiency to enable them to successfully meet and adhere to all of the terms of this Agreement.

Driver Qualifications

All drivers shall be trained and qualified in the operation of Collection vehicles and must have in effect a valid license, of the appropriate class with appropriate endorsements, issued by the Department of Motor Vehicles. All Collection vehicle drivers shall also complete the Contractor's in-house training program which includes education on the use of all vehicles in the Collection fleet, Collection programs, and route information as well as Customer service practices and safety information.

Contractor shall conduct an annual background check on each driver to ensure that there is no felony record of violence or violations issued by the Department of Motor Vehicles.

Identification Badge

Contractor shall require its drivers, and all other employees who come into contact with the public, to wear a clean, uniform shirt with an identification badge or other means of identifying the employee, as approved by the GovGuam Representative.

Safety Training

Contractor shall provide suitable operational and safety training for all of its employees who

utilize or operate vehicles or equipment for collection or who are otherwise directly involved in such services. Contractor shall train its employees involved in collection to identify, and not to collect, Hazardous Waste or Medical and Infectious waste.

No Gratuities

Contractor shall not permit its employees to demand, solicit or accept, directly or indirectly, any additional compensation or gratuity from members of the public for the Collection Services under this Agreement. Contractor may permit its employees to accept small holiday gifts of nominal value.

Employee Appearance and Conduct

All employees, while engaged in collection services within the GovGuam, shall be attired in suitable and acceptable uniform shirts which are subject to approval by the GovGuam. Contractor shall use its best efforts to assure that all employees present a neat appearance and conduct themselves in a courteous manner. Contractor shall regularly train its employees in customer courtesy, shall prohibit the use of loud or profane language, and shall instruct collection crews to perform the work as quietly as possible. If any employee is found not to be courteous or not to be performing services in the manner required by the Agreement, Contractor shall take all appropriate corrective measures.

Provision of Field Supervision

Contractor shall designate one qualified employee as supervisor of field operations. The field supervisor shall devote whatever time is necessary, but not less than 50 percent of his/her time in the field checking on collection operations, including responding to complaints.

General Supervision

The collection services are under the general supervision of the GovGuam Representative, and the Contractor shall promptly comply with any GovGuam orders, directions and instructions that are consistent with the terms of this Agreement. GovGuam reserves the right to inspect any and all of the Contractor's equipment at any time without prior notice.

EXHIBIT B

COLLECTION ZONE AREA

GovGuam's appropriate service area Zone Map to be inserted here

EXHIBIT C

SCHEDULE OF SERVICE FEES

GovGuam's approved fee schedule to be inserted here.

EXHIBIT D

INSTRUMENT FOR SECURING PERFORMANCE

Contractor's bond or other assurance of performance to be inserted here.

EXHIBIT E

INSURANCE CERTIFICATES

Contractor's insurance certificates to be inserted here.

EXHIBIT F

TRANSITION PLAN

Contractor's transition plan and implementation schedule to be inserted here.

EXHIBIT G

PARENT COMPANY GUARANTEE

Contractor's parent company guarantee to be inserted here.

EXHIBIT H

CONTRACTOR'S BID RESPONSE

contractor's Bid response to be inserted here.